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SOCIALISM AND ANARCHISM.

*"DISSERTATION IN PART FULFILMENT OF THE
CONDITIONS NECESSARY FOR THE ATTAIN-
MENT OF THE DEGREE OF DOCTOR OF
PHILOSOPHY, SCHOOL OF POLITICAL
SCIENCE, COLUMBIA COLLEGE."*

BY

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SCIENTIFIC SOCIALISM.

RODBERTUS.

THE current ideas in this country respecting theoretical socialism are derived chiefly from the last work of Marx, *Das Kapital*. The views which prevail concerning the policy of the socialists are such as the International, the Socialistic Labor Party, and the Anarchists have given rise to. These are thought to be the only possible theories and policy. But many of the German economists have come to regard Rodbertus as the real master of scientific socialism, and to assign Marx to a secondary place as a theorist. There are also some important points wherein his views differ from those of Marx. The reputation which Rodbertus has acquired as a thinker, and the inherent excellence of his works, furnish the excuse for this attempt to outline his life and theory.¹

Carl Rodbertus, like Marx and Lassalle, was educated amid the movements which led to the revolution of 1848, and received

¹ In order to avoid the multiplication of references, the titles of the most important works of (and about) Rodbertus which have been used in preparing this article are given here together.

Zur Erkenntniss unserer staatswirthschaftlichen Zustände. 1842.

Sociale Briefe an von Kirchmann :

Erster Brief, Die sociale Bedeutung der Staatswirthschaft. 1850. Reprinted in 1885. This edition contains Rodbertus' history of crises.

Zweiter Brief und dritter Brief appeared first in 1850 and 1851, but were reprinted together in 1875 under the title: *Zur Beleuchtung der socialen Frage*. The Second Letter contains the author's theory of the distribution of the national product. The most important portion of it has been reprinted in the first volume of R. Meyer's *Emanzipationskampf des vierten Standes*. The Third Letter contains Rodbertus' theory of rent and the argument against Ricardo's doctrine.

Vierter Brief, Das Kapital, was published in 1884 by Wagner and Kozak from the literary remains of Rodbertus. It contains more important material than any other in the series. Besides a *résumé* of his theory of rent and of crises, Rodbertus unfolds in this his doctrine of capital, and describes society as it is organized, with private property in land and capital, and as it will be when private ownership shall be abolished.

In 1885 that which the author had completed of the second part of the Fourth

his practical training during that revolution. Born in 1805, the son of a professor of law in the University of Greifswald, he himself studied law, history, political economy, and philology at various universities; and, after a brief time spent in travel, bought the estate of Jagetzow, in Pomerania, where he settled down to the life of a landed proprietor. The agitations preceding 1848 called him from seclusion to a place in the Provincial Diet, and afterwards in the Second United Diet, which met at Berlin in 1847. While in this body he acted as member of a commission to prepare a new election law for the National Assembly. The king offered him a patent of nobility, but this honor Rodbertus declined. Early in the next year he was elected to the new Constitutional Assembly. Later he was for a short time member of the cabinet, but resigned because he saw that the government would not come to terms with the parliament at Frankfort. During 1849 Rodbertus labored at Berlin to secure the acceptance of the constitution of Frankfort; but it was in vain. After that was rejected, and the political reaction set in, he retired from public life, never to enter it again. When the restoration of the German unity was in progress, he sympathized fully with the policy of Bismarck and the Prussian monarchy,

Social Letter was published. It contains some very important material on the method of transition to the socialistic state.

Zur Erklärung und Abhülfe der heutigen Kreditnoth des Grundbesitzes. Two volumes, 1868 and 1869. This contains the explanation of the crisis in German landed property, and of the *Rentenprincip*.

Rodbertus' articles on the economic history of Rome, *Untersuchen auf dem Gebiete der Nationalökonomie des klassischen Alterthums*, are to be found in *Hildebrand's Jahrbücher*. They appeared, 1864-74, in volumes ii. to xxiii.

Briefe und socialpolitische Aufsätze, issued in two volumes, by R. Meyer, Berlin, 1882, contain Rodbertus' correspondence with Meyer from 1871 to his death in 1875, and many short articles which were contributed to the *Berlin Revue*.

Prof. Adolph Wagner contributed to the *Tübinger Zeitschrift*, in 1878, under the title, *Einiges von und über Rodbertus*, some additional correspondence and a reprint of the *Normal-Arbeitsstag*.

Briefe von Ferdinand Lassalle an Carl Rodbertus-Jagetzow, Berlin, 1878, throw light on the relations existing between the two socialistic leaders.

Dr. Theophil Kozak, in a book entitled: *Rodbertus-Jagetzow's socialökonomische Ansichten*, Jena, 1882, has given a systematic statement of his entire theory, mainly in the language of Rodbertus himself. It is thoroughly trustworthy, and a most valuable help to the understanding of the author.

but took no active part in the movement. Even the socialistic agitation of Lassalle did not bring him to the front. Yet after 1860 he was known to all the socialistic leaders, and was often called upon to address their meetings or send them letters of advice. He never acceded to the former request, though he sometimes did to the latter. He shunned the work of an agitator. He was too much of a conservative to act otherwise than in full agreement with the powers that be.¹ Thus Rodbertus lived almost unknown to the general public till his death in 1875. His fame is chiefly posthumous, and is due in a degree to the labors of his disciples and admirers. His life was one of thought rather than of action. About the theories which he elaborated centres the chief interest of his career.

Rodbertus formulated his views on politics and economics early in life and adhered to them with little change throughout. His best years were passed while the Hegelian school of thought was dominant in Germany. Though he did not expressly ally himself to any branch of it, as Marx did, yet he is full of the idea of historic evolution. His doctrine, as well as Hegel's, was an outgrowth of the prevalent tendency toward historic research which had its rise at Göttingen in the latter part of the eighteenth century. Rodbertus had nothing in common with the pessimistic and fatalistic views of the young Hegelians. He was always a firm believer in human progress, as the result of conscious activity, and was a firm theist.

Extreme *laissez faire* notions never found acceptance in Germany. The theoretical views of Adam Smith always met with abundant criticism there. This is to be explained by the fact that the German state is too prominent in industrial enterprises, as well as in all other spheres of action, to be ignored in economic theory. Moreover, historical study opened the way for criticism of the existing social order in the light of experience. The historical study of institutions, inclusive of the state

¹ During the troubles of 1848 his place was in the party of the centre or of "all the talents," where he urged the introduction of a popular representative element into the constitution, without making any violent break with the history and traditions of the nation.

which is above and around them all, was favorable to the social view of political economy. It promoted the habit of looking at economic phenomena from the standpoint of the community and of social development in general. Hence, as soon as the modern industrial system, with its crises and other drawbacks, was developed in Germany, the way was prepared for intelligent criticism. Use was made of the works of Sismondi, and the earlier French socialists, but independent lines of thought were developed.

Rodbertus became impressed very early with the advantage which might come to the political sciences from following out the analogies which exist between the development of nature and of society. His philosophy professes to cover all of life, and aims at the most comprehensive view. To him life in society is the result of the inter-action of a trinity of forces—spirit, will, and matter; or the intellectual, manifesting itself in science and language; the moral, appearing in morality and law; and the material, or the sphere with which economics deal. The conditions in the lowest stages of social development are analogous to those of inorganic nature, or to the lowest forms of organic existence. With the advent of agriculture, based on the institution of slavery, society becomes organized, and states appear. When once that point is reached, all impulses to progress spring from society, and result in its movement as a whole. This idea Rodbertus keeps ever in mind. He constantly emphasizes the fact that the social standpoint is the one from which the phenomena of organic human life should be viewed. On that hinges his criticism of economic theories and public policy. But, as we shall see, he holds that the periods of transition from one form of organization to another are those in which the largest amount of individual liberty prevails.

All great historic changes are economic in their origin. Human labor is the one universal economic factor. Therefore the great periods of history will be distinguished from one another chiefly by the forms in which labor is organized. In pursuance of this thought Rodbertus—passing over primitive society, where the clan constitution prevailed, where all

property was communal and only simple economic conceptions apply — divides the history of mankind into two periods :

(1) The ancient Heathen State, which, after passing through the forms of theocracy and satrapy, culminated in the *polis* ;

(2) The German-Christian State. This has traversed the feudal and bureaucratic stages, and is now existing under the representative form.

The radical distinction between the two is, that in the former the individual had no rights as against the state, and all labor was slave labor ; in the latter, human rights were recognized and human slavery disappears.

Rodbertus' historic studies were devoted chiefly to Rome, and therefore its economic development occupies a larger share of his attention than that of any other period of history except our own. He views it as the culmination of the *polis*, and as illustrating all which that form of development has to offer. The *oikos*, or primitive family, formed the germ of the ancient city-state among the Greeks and Romans. Here the economic arrangements were simple, and such as would be found in a community where there was no division of labor, no distinction between manufacturing and agriculture, but little transportation, few exchanges, limited use of money, and where there could be no contest between the laborer and the capitalist, because the former was the property of the latter. There was but one form of tax, a progressive income tax in Athens, and a general property tax for citizens in Rome. The expenses of the state were few. There was but little distinction between it and society. The same families were leaders of both. Solidarity was the principle of organization throughout.

The growth of individualism in Rome began with the legislation of Servius Tullius, and ended with the full realization of the policy of the Empire. It was the work largely of the capitalist party of which Cæsar was the leader and representative. The strength of the family bond was weakened. Industry developed, new forms of production began to be carried on by corporations independent of the *oikos*. The system of taxation was enlarged by the early emperors to cover the newly devel-

oped enterprises. A special capitation tax, for instance, was levied by Alexander Severus on slaves, because their labor as artisans had become so profitable to their masters. When Caracalla in 213 admitted all the provincials to citizenship, uniformity between the Italian and the provincial system of taxation was approximately established. Systematic plundering of the provinces ceased. Means were taken to facilitate transfers of land. For a long time previous to this, freedom of traffic had existed between all parts of the empire. Thus free competition (*Freihandel*) was established for the first time in history throughout the civilized world.

By the system of free competition, Rodbertus means not the absence of customs duties levied on the boundaries of a country, nor unhindered communication between different parts of the same country for industrial purposes, but absence of economic organization, *i.e.*, of legal combinations of persons engaged in similar pursuits. It is individualism, the negation of all forms in the domains of science, law, and labor. It means the disintegration of society. When one form of social organization has lived its time, a process of dissolution begins. Individuals struggle against the old in the domains of science (free thought), of law (political freedom), and of economy (freedom of competition). By these assaults the old forms are broken down. All that remains is a certain store of knowledge, the elements of faith, the principles of morality, — especially those which involve protection for person and property, — and a definite division of property. To every person is given the free use of his powers for production up to the limits of the criminal law. It is then thought that social laws operate like natural laws, and will of themselves work out the common weal. In its extreme form this involves the negation of the state. "Anarchy is panarchy" becomes the motto of the system. Persons who live in periods when the theory of free competition is carried into practice think they have reached an advanced stage of progress. They are really living in a time of transition, when the old is being torn away preparatory to a higher form of combination. If the tendency to individualism is allowed to operate

without restraint, it will prove unfavorable to freedom, because it will destroy the unity of the state. Ultimately, the state must interfere in the interest of public welfare, check the struggle for existence, and establish new social forms. Community feeling is the positive, constructive, life-giving principle in society. Individualism can stimulate for a time, but its effect must be temporary.

The period of freedom of competition in the Roman Empire continued fully developed from Cæsar to Diocletian. Its operation was on the one hand intensified by slavery, but on the other moderated by colonization. It produced great social inequality. Still, economic institutions continued to bear to a certain extent the stamp of antiquity. Barter always remained a prevalent form of exchange. The book-keeping of the Romans, both private and national, shows that even in the later Empire money was by no means universally employed. Also, the old theory of the unlimited power of the state was still held. Hence, the principles of solidarity in taxation, arbitrary assessments, payment in kind or by personal services rendered to the state, were employed with crushing effect by the later emperors. The needs of a vast military despotism were supplied by a system of taxation which had originated in the city-state, where the expenditures were few and civil power unlimited. It was in part the combination of the old and the new in the conditions of the Empire which made the fiscal policy of Diocletian and his successors so oppressive.

Diocletian brought the period of Roman *laissez faire* to an end. For fiscal purposes he sought to introduce the hereditary principle into all corporations, to freeze society into the forms which it then held. Moreover, with Constantine began a series of laws by which the *coloni*, who, since the later Republic, had been somewhat loosely attached to the soil, were now firmly bound to it (*adscriptitii*). This process was completed by the time of Justinian, and from the class thus formed developed the mediæval peasantry (*Bauernstand*). In this way originated one of the chief differences between ancient and modern society — the economic distinction between city and country. Agricul-

ture and manufacturing, which in the primitive city had been carried on indiscriminately by all, henceforth became the pursuits of two distinct social classes.

Thus the way was prepared for the downfall of the Roman system by the contradictions which were developed within it. The Germans only completed a work which was far advanced before they appeared west of the Rhine or south of the Danube. The Roman nationality, as well as the ancient economic institutions, disappeared in the transition to the German-Christian State.¹

From the abandonment of the slave system, and the rise of the distinction between city and country, follow all the economic characteristics of modern as distinguished from ancient society. The power of the state is now limited by the rights of the individual. A conflict between labor and capital becomes possible. It was impossible in antiquity, because the laborer was the property of the capitalist. Lastly, the separation of employments, beginning with the appearance of agriculture and manufactures as independent pursuits, and the organization of labor which has grown up with this separation, divides society into classes unknown to the ancients.

We are living in the third stage of the development of the German-Christian State, *viz.*, the representative. The bloom of the representative state coincides with the existence of the second period of free competition in the world's history. It was ushered in by the industrial growth of the last quarter of the eighteenth century. This movement was accompanied by sweeping legislation, based on the principle of "natural rights," which has established in the western nations freedom of labor and domestic traffic, and the equality of all before the law. The legislators who have carried this out stand to the present social system in a relation similar to that borne by Servius Tullius and Cæsar to the period of Roman *laissez faire*. The old restrictions were justly condemned and abandoned because they were proven to be injurious. The revolution proceeded from

¹ Robertus did not live to complete his account of the transition period after Diocletian. He announced another article on that, but died before it was written.

the real needs of the time, but it resulted in social disorganization. The development of the existing social order is no further advanced now than that of antiquity was in the time of Cæsar. It has by no means borne its full fruit. Neither is it the last and highest possible form of social development. It is transitional, like its predecessor. Through it the way is being prepared for a higher form of organization than that of antiquity or of the middle ages.

Rodbertus bases his discussion of the phenomena of our present social order on the doctrines of Smith and Ricardo. According to the views indicated above, he regards society as composed of laborers and capitalists, who are rivals in the struggle for existence. The one class possesses the instruments of production, and the other is unable to obtain a chance to labor without the consent of its opponents. The remuneration of the laborer is fixed by contract. In antiquity the master was bound to support his slave, if he was to have the results of his labor. Now the laborer has what he can get.

In his analysis of production and distribution under the system of division of labor, Rodbertus differs from the English economists only in viewing the subject from the social standpoint. He conceives of society as divided into several classes,—the raw-producers, the half-manufacturers, the manufacturers, the transporters. Commodities are ever passing in a continuous stream through the hands of these producers. If the current were stopped at any time, commodities would be found at all points along the line, from the raw-producers to the consumers. Also, the general classes of producers are subdivided into branches, as the various forms of raw-production and manufacturing, and these again are carried on as individual enterprises. The division of labor, by separating producers into classes, causes the development of the market, and makes exchange universal. With exchange, money comes into general use. As society advances, money will lose its character as a commodity, and be used only for settling balances. Then we shall have reached the period of credit economy.

But little is to be gained by looking only at the individualistic

side of division of labor. Its essence is community of labor, whether we contemplate the work in a factory, or enterprises which encircle the globe. A truly national and world-economy arises from it. It is the material bond which, with law and language, unites men in society. Each labors for all, and all for each. If we follow a commodity through all the stages of its course from the raw-producer to the consumer, we shall see that each class is dependent on all the others for the success of its work. Each class depends on the one before it for its raw material. By neglecting this point of view, the earlier economists have failed to see that the national product is a unit, in which all classes of producers share. By the same cause they have been led to adopt the erroneous view that the value of the product depends on the amount of the shares into which it is divided; *e.g.*, that the price of the product is affected by the rate of wages; that high wages hinder competition.

Distribution is more individualistic in its character than production. All who have contributed in any way to the work of production put in their claims and receive a part of the product. Public law decides how much shall go to society and the employees of the state. The amount which goes to individuals is fixed by competition in the form of rent, wages, and profits. The class engaged in transportation conveys the product to the individual to whom it belongs. But even in distribution the communistic element predominates, though obscured by the present legal system. Society is ~~a~~ a unit; not simply an aggregate of individuals. The income of the state and of the various associations within it far exceeds that of any individual.

Here, then, we have a picture of the operation of supply and demand on the largest scale. In primitive society it was easy to adapt the one of these to the other. Each producer could easily obtain the full result of his labor, because production and consumption touched each other. But in the present complex society the adaptation of supply to demand becomes a service to the public of the most important and delicate character, requiring special knowledge and ability. The work is actually done by the capitalists, the managers of production, who, though

acting in a private capacity, are yet performing the service of public functionaries.

In the course of the preceding discussion we have had hints of the line of thought which Rodbertus would naturally pursue in his criticism of the existing social order. His historical philosophy is full of the idea that social systems are only relatively excellent; that is, excellent to the degree in which they satisfy the needs of the times. Every system hitherto has contained a latent contradiction. This has slowly developed till the conditions of life have become intolerable. Then has followed a revolution, either sudden and by force, or gradual and peaceful. Rome fell because of the contradiction between the old principle of the omnipotence of the state, and the new economic conditions of the Empire. A contradiction exists in our society, arising from the relations between labor and capital, which will inevitably, in the one way or the other, cause the overthrow of existing property institutions. The argument by which Rodbertus seeks to establish this proposition runs as follows:

He starts from the Ricardian doctrine that labor is the only productive agent. Therefore, he argues, it must be the only source of value. He gives a broad definition of labor, *viz.*, the expenditure of human energy. He therefore includes under the term intellectual as well as physical labor. He acknowledges that nature is the source from which forces and materials are derived; but its activity is not economic. Economy begins and ends with man in society; either in the family or in some larger association. It is only through human labor bestowed upon them that natural products become commodities. Before that, they form the subject-matter of the natural, but not of the social sciences. In order to attain clear definition and classification, it is necessary to exclude from economics all consideration of nature apart from human labor. Economic science takes nature's work for granted, but from that work it is impossible to derive any rights in distribution. Land is neither capital, nor a productive factor. It is only through a misdirected social development that it has come to be so considered. Physical

labor is "immediately" productive, and so should receive a share in "direct distribution." Intellectual labor is "mediately" productive, and is entitled to share in "derivative distribution." The classification of society into laborers and capitalists, meaning by the former those whose labor is mostly physical and comparatively unskilled, employed in the mass and paid according to the time spent, is perfectly justifiable.

This doctrine of labor is, of course, given its due weight in Rodbertus' theory of capital. But another point of prime importance here is his distinction between essential capital (*Kapital an sich*) and historic capital. This involves also his theory of income. When we look at economic phenomena from the standpoint of the community, we find that the products of labor fall into two classes, *essential capital* and *income*. The former consists of those products which are devoted to the purposes of immediate production; the latter is composed of those which are accumulated in order that they may be consumed. They are the means of satisfaction; *e.g.*, objects of luxury, furniture, and the like. Capital, on the other hand, comprises tools and materials actually used in productive enterprises. Capital is not the result of saving; it is not an accumulation (*Vorrath*). Its nature is that it should be consumed almost as fast as it is produced. It is produced that it may disappear as soon as possible in new products. J. S. Mill's statement about the rapid disappearance of capital is eminently true. Saving or accumulation would necessarily defeat the end of its existence. How can materials and tools be saved? Nobody thinks of accumulating such, or of producing them for the purpose of accumulation. Essential capital, therefore, cannot be the result of saving, neither can that theory of its origin furnish the source of any claim for the capitalist in distribution. Capital is solely the product of labor, mediate or immediate. The labor bestowed upon the manufacture of a machine is, so far as the products of that machine are concerned, mediate labor. The labor of operating the machine itself in the manufacture of final products is immediate labor. If the machine cost n labor, and produces x goods before it is worn out, and if we designate the

immediate labor bestowed by m , then the value of each commodity produced will be represented by the formula $m + \frac{n}{x}$.

Essential capital, then, is not a productive agent. It is simply intensified labor. All implements are *vorgethane Arbeit*—labor already performed, accumulated labor. When a person uses an implement in a productive operation, he is calling into activity the labor of the present and of the past. The pre-historic man first increased the efficiency of his labor. He then had time left, after satisfying his wants, which he devoted to the making of his first tool. Production in all its stages is only a repetition of this process. When a new and better machine is put in the place of an old one, there is no increase of capital. On the other hand, there is often a positive diminution of the same, and that according to the prevailing notion of capital.

Moreover, the way in which products are distributed makes no difference with the fact that they have sprung entirely from labor. If we follow the series of productive operations back to their very beginning, we find that they resolve themselves into labor, and their products into the results of labor. Capital is ever rising to the surface of this vast stream of production only to sink again and disappear.

Finally, essential capital is not the source of income. Labor is the source of both. Capital may become income by being diverted from productive purposes to those of consumption. In the isolated and primitive condition of society, capital and income stand to each other in the relation of successive steps in economic progress, the one constantly passing into the other. But the connection of cause and effect does not exist between the two. Income may be great or small in proportion to capital, but not because it is created by capital. The income and capital of a nation together form the collective product of its labor, and this product is distributed among the different classes of producers.

Historic capital is a product of the system of private property in land and the other means of production. It is private capital, a result of social development, and therefore has no claim to universality or permanency. Private property in land arose

in consequence of the appropriation by individuals of the primitive communal domain. All the implements and materials of production have been appropriated by a special class — the capitalists. They employ these in productive enterprises of which they have complete control. Capitalists decide what enterprises shall be undertaken and upon what scale they shall be carried on. They advance the means for prosecuting the business and are the owners of the entire product. Their object in this is private gain. They will undertake nothing unless there promises to be a good demand, and that implies a previous accumulation and distribution of property. The laborers, who are the real producers, form a distinct class over against the capitalists. They own none of the implements and materials which they have produced. They use those which the capitalist, their employer, furnishes; and during the actual periods of production they live upon the commodities which he advances. Hence it seems as if the capitalist contributed an important productive agent, and that the profit which he receives is a return for its use. But this is to mistake the *possession* of capital for capital itself. The radical error in the theories of the earlier economists is that on this point they have confounded the appearance with the reality. The capitalist class is enabled to perform its function, not because it controls a separate factor of production, but because it has appropriated the lion's share of the products of labor. This result has been produced by laws favoring capital, and by the unequal conditions under which, from the first, labor has competed.

It follows from the doctrine already advanced that wages do not form a part of capital, but, with rent and profits, belong to national income. Whether they are paid after or before the sale of the product, the commodities out of which the wages come were produced before the time of making the payment. The wages paid at the close of each period of production, the day or the week, are in return for the goods produced during that period.

Rodbertus does not seek to deny or obscure the fact that the service performed for society by the capitalist class is very great. The skill and knowledge shown by them in starting and

managing industries he recognizes as labor of a very high quality. As such it is entitled to its just reward. It is labor which society cannot dispense with. The laborers themselves cannot perform it. The function of the manager must be retained, but his reward should consist only of wages of superintendence. Labor, in the broadest sense of the term, is the sole productive agent, and therefore is entitled to the whole product. But now the capitalist class receives it all, not because of the labor which they have performed, but because they are the possessors. All income in excess of the just return for labor, whether derived from land or capital, Rodbertus calls *rent*. This is what a man obtains without effort on his own part. It is the result of expropriation, robbery. He divides it into ground-rent and capital-rent, and the latter into interest and undertaker's profit.

From the point now reached it is easy to understand Rodbertus' theory of pauperism and crises. If rent, profits, and wages are paid from the total national income, it follows that a rise of the two former, or of either one of them, without a corresponding decline of the other, will be followed by a fall of wages. Rodbertus holds, with Ricardo, that under the system of free competition wages tend toward the minimum point, *viz.*, that amount which will supply the barest necessities of life. The forces which operate against this tendency are increase in the efficiency of labor, and checks to the growth of population. National productivity has been greatly increased, but most of its results have passed into the hands of the capitalists. That this is a necessary result appears when we examine the origin and present condition of the laborers as a class. Their ancestors were slaves in antiquity and serfs during the middle ages. When they emerged into freedom, ignorant and destitute, they found themselves in competition with an active, intelligent class furnished with capital. It was not a struggle between labor and the owners of land, alone and unassisted; but labor was forced into competition with a class possessing in addition all the fruits of a thousand years of civilization, developed during the ages of slavery and servitude.

Hence the start was unfair, and its effect has continued till the present. As the entire product of the slave's labor belonged to his master, so it continued to belong to his employer after the slave became a wage-worker. Instead of labor and property co-operating in the production of wealth, a form of contract was entered into. But contracts between members of two classes so situated cannot be fair. The laborer has only his one commodity, labor, which he must sell at once, or lose entirely. It is like "selling the harvest upon the stalk." Also, the general use of money in exchange is unfavorable to the laborer. It separates him further than ever from his product. Its purchasing power may differ from the value of the laborer's share of his product, nominal from real wages. Money is used when the employer pays his men, and again when it is expended in the purchase of the real wages. Whenever exchange is resorted to, the laborer comes under the operation of the so-called natural law of supply and demand. They always work to his disadvantage, because he is not in a condition to compete on an equality with the capitalist. Furthermore, the vigorous competition between capitalists makes cheapness a necessity. The reduction in cost which this necessitates is usually made at the expense of labor, because it is the weaker party. To the employer wages seem to be a part of the cost of production, and hence they are forced down.

The above considerations explain the fact that wages tend toward the starvation point. Competition can be free only between classes of equal economic strength. Between classes of unequal strength it is slavery under the name of freedom. The spirit of the system is seen in the prevailing doctrine that labor, meaning the laborer, is a commodity, a chattel, which forms a part of the cost of production, and is subject in all respects to the operation of supply and demand. Statistics confirm these statements, for they show that throughout Europe the wages of common laborers have never risen, except for short intervals, above the point of absolute need. The laborers are practically in the condition of serfs. On the other hand, profits and rent have risen greatly, the former more than the latter,

because the productiveness of manufacturing and transportation has increased faster than that of agriculture. Improvements in production under the present system are therefore a curse rather than a blessing. The defenders of free competition assert that everything which adds to national wealth is a good, and everything which takes from it is an evil. This is not necessarily so. Every addition made to national wealth may help the growth of inequality. While the laborers at one extreme of society sink into pauperism, the plutocrats at the other extreme pass from the struggle to increase productiveness, to the struggle for gain, pure and simple. From that they pass to rivalry in the pursuit of enjoyment. From this develops luxury, followed by moral corruption, which is the last stage in the process of social decay.

In his theory of pauperism Rodbertus discusses the movement of wages in reference to the minimum point. But there is another point of comparison. The expressions, wages are "rising" or "falling," are "high" or "low," may be used in another sense. This is with reference to the total product of labor. Wages may be absolutely high, that is, far above the least amount necessary for the support of the requisite number of laborers, and yet form a small part of the total national product. They will then be relatively low. The total national income may increase so much faster than wages, that the rate of wages may be slowly rising, though at the same time a continually diminishing share of the national product goes to the laboring classes. This is actually realized under the system of private property and free competition, and from it is derived the only satisfactory explanation of commercial crises.

Crises appeared with the advent of the modern industrial system, and have kept pace with its development. Instead of disappearing, they are becoming more frequent and severe. They may arise from the failure of producers properly to adapt supply to demand. That of itself reveals a weak point in the present social system. The fact that capitalists attempt nothing unless they think profit can be made out of it, and act upon the most imperfect knowledge of the conditions of the market,

leads to reckless and blundering ventures, which end in great and constantly recurring losses. But this, Rodbertus says, is by no means the source of modern crises. Their symptoms he describes with great ability. They are uniformly preceded by a period of high prices, great productiveness of labor and increase of capital, high wages, and fall in the rate of interest. The banks overflow with deposits; credit is so easy and confidence is so great that multitudes of new enterprises are started. Suddenly, as if by a stroke of lightning, the situation is changed. A stagnation occurs in some of the leading branches of a nation's industry, which extends to all forms of business. The prices of all commodities fall rapidly. Property and incomes shrink in value till all find it difficult to meet obligations, while many temporarily suspend payment or become bankrupts. Production is greatly curtailed. Thousands of laborers are left without work, and hence without food. The capitalist and laborer alike suffer. Sometimes a shock to credit begins the collapse; again, a poor harvest, or some important loss of capital. But most frequently it begins with a fall of prices. The channels of trade become obstructed; but in this case, unlike a river in the time of freshet, there is no overflow and enrichment of the surrounding wastes. The current of production stops and remains fixed in its channel. Abundance and want exist side by side, but cannot meet. Only after this condition has lasted for an indefinite time, does production begin slowly to revive, and better prospects appear for capital and labor.

Crises begin at the centres of industry and trade, where capital is most abundant and credit most developed. Commercial prosperity furnishes the conditions under which they thrive. In the most advanced nations they are felt most severely. They originated in England, the city of the world; but the development of railways, of steam navigation, and of stock transactions, has spread their effects over the two hemispheres. The crises since 1830 have affected all the western nations, and each has been more severe than its predecessor. The interval between the first and third crises (1818-1836) was eighteen years; that between the second and fourth (1826-1840)

was fourteen years; that between the third and fifth (1836-1847) was eleven years.

Since the growth of national debts and the issue of so many securities by corporations, stock transactions play a part in crises so important as to obscure their real nature. They are not money crises, but trade or community crises. Merchants who have imposed their superficial views on society explain them as the result of excessive speculation. But the real cause is to be found in the explanation of the first symptom; *viz.*, the fall of prices. Rodbertus, in his history of the crisis previous to 1848, strives to prove this point. He claims, for example, that the crisis of 1837 in England could not have been caused by the revolution in Lisbon, which depreciated Portuguese bonds. Large amounts of Spanish securities were held in England, but in 1835 a serious revolution occurred there without causing a panic in the English market. If a collapse of credit caused the panic in the former case, it should have produced a similar result in the latter. The fact, however, is that the year 1837 was preceded both in America and England by a period of most rapid increase in national wealth. The extent to which railroad building was carried is one evidence of this. But there was the greatest activity in every branch of agriculture and manufacturing. The introduction of machines vastly increased the labor power. Credit, which aids production by removing the necessity of waiting till new capital is created before enterprises can be started, was called into active service. Banks of issue, the most powerful organs of credit, gave their impulse to industrial progress. Under these circumstances great enterprises flourished, and it was *these* which produced a mass of commodities, the accumulation of which clogged the channels of trade. The crisis which followed, though introduced by a money panic, was really a sudden fall of prices in all the industrial centres from America to Constantinople. These phenomena are repeated in all crises. The all-important question then is, Why do commodities accumulate in this way? Production is only a few steps ahead of consumption; and if the entire wealth of any country were distributed equally among its

population, each individual would receive only a small amount. Why are not commodities taken off the market as soon as they are produced? The reason is, that the purchasing power of the masses, nine-tenths of the population, does not keep pace with the productiveness of their labor. This is the correct form of statement, rather than the one used by Malthus and Sismondi, that the producing power of the laborers exceeds their purchasing power. If each individual or class of producers received their entire product, the supply they bring to the market would equal their demand. These crises would be impossible, because purchasing power and productiveness would balance. It matters not whether the share of the laboring classes be absolutely small or not; so long as it does not increase as fast as their ability to produce, with the aid of all the machinery which is in operation, crises must be regular visitors in modern society. No class is responsible for their occurrences. Capital suffers from their effect as much as labor. The fault is in the system; it is organic. Attempts to restrict the proper development of credit, like the Peel Bank Act of 1844, will not cure the evil. We need all the aid that credit can furnish. Production should be extended in its scope rather than restricted. All that is needed is a more equal distribution. But can that be obtained under the system of free competition? Rodbertus holds that it cannot. Pauperism and crises are so related that the one cannot be removed without the cure of the other. Pauperism makes crises possible, and crises defeat all attempts of the laborers to escape from their poverty. Here lies the fatal contradiction which is to cause the overthrow of modern society. It is as real and deep-seated as that which prepared the way for the triumph of the barbarians over Rome. Now, however, the barbarians who threaten society with their attacks live within, rather than outside its borders. They are not slaves, excluded from the protection of the law, nor serfs, possessing a limited number of rights, but citizens, endowed with full political equality. They see in political freedom only a form, without substantial advantage. So direct and intense is the conflict of interests between capital and labor that Rodbertus sees only

revolution ahead, unless the state interferes to secure peaceful and regular developments.

The treatment of the problem of land and rent occupies an important place in Rodbertus' works, but only a passing reference can be made to it here. He subjected Ricardo's theory of rent to a searching criticism, holding that it does not explain the origin, but simply deals with the fact of rent. He brings out the points which have been made familiar to English readers by Carey and Jones, but adds others of greater scientific value. He would substitute for the doctrine the idea which has appeared already; *viz.*, that rent, like profits and interest, is the product of our social institutions. It is one of the forms under which the laborer is robbed of the product of his effort. "The theory of rent," he says, "is the answer to the question why persons who perform no service participate in the original distribution of goods." Again he says: "The taking of them out as a special share" — meaning rent and profits — "*is* private property in land and capital." Rodbertus seeks to explain the recent growth of indebtedness upon land throughout Germany, wholly from the fact that it has been treated as capital. By the legislation of the present century it has been brought under the influence of free competition. It is exchanged as if it were capital, and its value is expressed in the terms of capitalized rent. Thereby it has been subjected to the fluctuations of interest and of speculative demand. The result, in brief, has been that the owners of it, and dealers in it, have become involved more and more deeply in debt. But land, according to Rodbertus, is not capital at all. It is simply the source of rent. That alone measures its value. To treat land legally as if it were capital results not only in confusion, but in the loss to the landholding class. The principles underlying real credit are quite different from those of personal credit. Therefore Rodbertus urges that the rent-principle of the middle ages be brought again into use, and sees in that, together with the establishment of a system of country banks, a specific cure for the evils under which German agriculture is suffering.

The most important reforms proposed by Rodbertus are those

intended to remove the great social dilemma, the struggle between labor and capital. Unless this and the evils which come from it are cured, society will go to pieces. But they will be cured, he says, and that by means of a long process of historical development, continuing at least five hundred years. This process will not go on of itself. It must be a self-conscious evolution, guided by the controlling organ of society, the state. The evils of the present system will probably make themselves felt much more keenly than at present. But the sense of suffering caused by them will force society into a course of development which will lead ultimately to a complete transformation, a new social order. It is absolutely necessary, then, to discern aright the goal toward which we are tending. Then only can appropriate measures and a safe course of policy be chosen. The social question cannot be solved by any political change. It lies deeper than forms of government; it exists under all forms. It can be solved under a republic or a monarchy, though the latter offers advantages towards its solution, which the former does not possess. As already indicated, the process of change must be gradual, not sudden or destructive. No valuable human institution, whether in the domain of thought, morals, or economics, should be sacrificed. The production and distribution of wealth should be continued at least upon their present scale, and the way should be opened for extending them. Capital must not be swept away, but a balance to the power of capital secured. Under any tolerable form of society, laborers, landholders, and capitalists, in the sense of managers, must exist together. The ordinary laborers cannot manage the works of production. If they should successfully attempt it, the result would be the universality of corporation property, the worst and most tyrannical of all forms of ownership.

For this reason, and because Lassalle proceeded by agitation and antagonized the government, Rodbertus would have nothing to do with him. The two agreed in their theoretical views and ultimate objects, but they could not agree as to practical methods. It appears from his correspondence that Lassalle repeatedly begged Rodbertus to aid his movement, to offer some positive

programme. He accused Rodbertus of being visionary, and promised, if he would present something definite and tangible, to take it into consideration. But all appeals were in vain. Rodbertus insisted that the laborers were not ready for action. They would not unite, because community feeling was not developed within them. They were too ignorant of the problem and the conditions under which it must be solved. They must pass through a long course of training, intellectual as well as in the school of experience, before they will be ready to attempt the final solution. The other classes need developing also, as truly as the laborers. The moral tone of society must be raised, its will power increased. Class antagonism should be discouraged rather than intensified. The nation must move together under the lead of its government, if any true social progress is to be made. Strikes will be of no avail. They have not benefited the laborer's condition in England. The methods of trades-unions are open to serious objection. Association is the all-important thing, but it must be managed on peaceful principles.

The difference between the spirit of Rodbertus and that of Marx appears here very clearly. The latter held that individuals could accomplish nothing as such. The evils of society must develop until they become intolerable; and therefore the course to pursue was to increase the evil as rapidly as possible by agitation and attempts at revolution — *Theorie der Bösheit*. That would lead to a violent collapse and the establishment of the new system by force — a Napoleonic era.

The following quotations will make Rodbertus' views on this point still clearer :

The Social Question is the problem how peaceably to transfer society from our system, based on private property in land and capital, to the higher order which is necessarily and historically to follow it, and the signs of the approach of which are already appearing.

The Social Question is not to be solved upon the streets with paving stones and petroleum. Decrees might be obtained which would suffice. But by these the Social Question would be smothered in the cradle. However, it has already grown up above our heads, and cannot be

solved at present. All we can now do is to organize. We must proceed carefully, and not destroy the plant by rough usage. Social peace, unified political power, great preparations and deep-laid combinations, made quietly and with order and energy, — these are the conditions of the solution of the Social Question.

If conservative means the conserving of accursed plunder, then there is nothing more anti-conservative than the Social Question. But if conservative means strengthening the power of the monarchy, peaceful reforms, harmonizing of social classes under the ægis and according to the rule of *suum cuique*, then there is nothing more conservative than the Social Question.

The works of Rodbertus abound in passages similar to these. One of his favorite illustrations is that the transition to the new order will be like that from the invertebrates to the vertebrates in the animal kingdom. Now the state has as little organic adaptation to the rest of society as the head would have, if it were placed upon the back of an insect. The state should be placed at the top of society and in organic connection with it, so that its guiding influence may be felt through the whole body.

But it must not be imagined that Rodbertus was destitute of a practical programme. Although he avoided agitation, he was not simply the leader of a philosophical school. He distinguished specific diseases in the body politic from the general malady. To the former he would apply specific remedies, and that immediately. A case in point is the lack of credit accommodation and the burden of debt from which the German land-owners are suffering. The specific remedy which he would apply to that is the establishment of a system of banks, and the introduction of the rent-principle.

Relative are also to be distinguished from final solutions. The former will only prepare the way for the latter. The final solution of the social problem will be found where the system of private property in the instruments of production has been succeeded by that of pure income property, and when the management of production and distribution has been assumed by the state. This involves a transition from one social order to another radically different, from the present to the ideal state.

The new social order is so remote that anything more than hints at its nature would be useless now. But there are preparatory reforms, which can be carried out under the present system. Among these are statistical inquiries on the largest scale concerning the hours of labor, the amount of work performed, and the income of the laboring classes. These should show both what is, and what should be. They should be gathered from existing conditions, and issued with such promptness that they can be used as the basis of legislation. A reform should at once be begun in the system of taxation. The rule to be followed is that the heaviest rate of taxation should fall on money capital, especially when it exists in larger amounts; the next lower on other movable property; the next on land; and the lowest on labor. The necessities of life should not be taxed. A heavy tax should be laid on inheritance, increasing in amount as the relationship of the heir becomes more remote.

The above reforms will operate indirectly toward the solution of the labor problem. The introduction of the "normal labor-day," and of factory inspection, will tend directly to that end. In the former case the only object aimed at, for the present, should be to restrict the hours of labor to a reasonable length. Ten hours would be a good average, but this could not be enforced in all forms of business. All necessary allowances should be made. Sunday labor should be discouraged. The fixing of the normal day's labor is held in reserve. The English system of factory inspection, with some modifications, is recommended.

Another class of reforms are those which contain the germ of the new *régime*; viz., the extension of state enterprise. The railway, telegraph, post-office, and tobacco monopoly are illustrations of this. The history of these under government control shows that the economic sphere of the state can be enlarged. On this question Rodbertus claims to occupy a position between the Manchester school, which rejects all state interference, and the more extreme socialists, who say that state control is the best under all circumstances. It is the best under certain circumstances. It may improve the organization of society;

it is the only way in which to prevent the extension of monopoly; the state may thereby secure more cheaply than otherwise the articles which it consumes. The principle is right; the only question is that of its application. The aid of the state must not be invoked in a spirit of favoritism toward the laborers, or any other class. Its essence is that it substitutes public for private interest, as a controlling motive. It asserts the prerogatives of the community, as against those exercised by the officials of a joint stock company. If it had control of railways and bank notes, it would have a powerful weapon to use against crises. The domain of state activity, meaning by state the central organ of society, changes with historic progress. No hard and fast bounds can be set to it. Its limits are never the same in any two periods of history. In general, as the social organism becomes more complex and highly developed, the activity of the state increases both extensively and intensively. All signs indicate that we live in such a period.

After society has become sufficiently accustomed to state control, and methods of administration have been elaborated, then the time will be ripe for more decisive measures. The period of transition will then be entered upon. The statesman must then aim at obtaining for the laboring classes the highest available rate of wages. Even though we hold that the wage-fund theory is false, there must be, at any given time, some limit to the rise of wages. A certain sum in each line of business must be fixed upon and striven for by the state. This should not be so high as to hinder production, nor so low as to injure the laborers. It is useless to wait for such work as this to be done by the church, education, self-help, or by letting things go as they please. The state alone can effect it. But it must be careful not to infringe upon the freedom of inheritance, of alienation, or of mortgaging landed property; upon the right of placing or disposing of capital; upon the right of settlement, in its broadest sense; and the right to choose a calling. All these must be preserved intact. The state must solve the labor problem on the basis of a pure wage system, and it takes the initiative simply because employers and laborers will not do so.

Not only must the state secure a rate of wages which is up to the necessary limit, but it must obtain for all laborers an income, the growth of which shall keep pace with the increase of their productivity. It will therefore be necessary from time to time, as the productivity of labor increases, to increase the amount of income. This means the periodical fixing of the rate of wages by government according to the results obtained from statistical investigation. If this be done, labor will cease to be a commodity, at the mercy of the law of supply and demand.

It is clear that by the time this point is reached, private, or rent-bearing property in the instruments of production will have ceased. Collective, or state property will have taken its place. Capitalists and landowners will not be expropriated, or arbitrarily dealt with. They will still continue to manage their enterprises. But they will do it, not according to the system of free contract, but under the condition prescribed by the state. This will be that they surrender to the state, and through it to their employees, all their profits which exceed fair wages of superintendence. They, like all others, will be rewarded in proportion to their labor, and to that alone. All accumulation of capital from profits will cease. All classes of producers will be viewed solely from the standpoint of labor. Property will not be abolished, but it will take the form of income-property; that is, the right of each to the full product of his labor, minus that which the state will take for its own support. National income will evidently consist of two parts, capital and income-property; the former that portion of the product which is devoted to future production, the latter the part consumed. There will be no need of waiting for capital to accumulate before starting enterprises, because all will take their pay from the product as it is produced, and the state will see to it that demand is adapted to supply. Artificial monopolies, and the waste arising therefrom, will be avoided.

The central point in Rodbertus' theory of the ideal social order is the adaptation of national supply to national demand by the state. It is only in that way that the mischievous influence of competition can be abolished and the interests of the

community secured. Then only can the results mentioned above be obtained. The officials of the central government must ultimately superintend production and distribution. When they have obtained this power, they will periodically ascertain by statistical investigation the extent and character of the social demand. They will then so guide production that the supply of commodities shall always correspond to that demand. This problem, which seems so vast, he claims can be solved by means of the principle of time-labor.

We may suppose that the normal labor-day has long been established. If we combine with this the idea of normal day's work, we have the conception of time-labor. The quantity of labor-power expended by a workman during a normal day, though varying greatly according to the nature of the occupation, the skill and energy of the laborer, *etc.*, may be reduced to an average. This will be a normal day's work, the work performed by an average laborer. This, under the name time-labor, may serve as an ideal standard of measurement. Its objective-form will be the product of the day's work. Now the productivity of all laborers in each branch of industry can be ascertained and expressed in the terms of the standard. But the sum of these, at any time, will be the social supply. The work of calculating averages must be done for each line of business separately. It will be a difficult undertaking, but the fact that H. Peters, the architect, working with Rodbertus, has performed the calculations for the labor of a carpenter, shows that it is practicable. The state must cause the estimate, and hence the standard, to be changed from time to time, as the productivity of labor increases.

The work of distributing the supply of commodities so as to satisfy the social demand will be managed as follows. The value of all products, as well as the efficiency of labor, can be ascertained by comparing them with the standard. By means of this a wage, or share in the product, can be given to each laborer, which exactly corresponds to the service he has rendered. If a laborer in half a day produces a commodity similar to that made by the average workman in his trade, working

with average skill and energy during an entire day (the standard), he will receive a full day's wages. If it takes another laborer two days to perform the same work, he will receive no more than a day's wages. Thus not only is a means devised for measuring the value of all commodities in the terms of labor, but we can, with its help, distinguish qualities of labor and assign rewards corresponding to efficiency.

The last step in the process of establishing the socialistic state will be taken when a form of paper money adapted to the needs of such a community is issued, and magazines for the storing of products before their distribution are built by the government. To these magazines all commodities will be carried after they are produced. Notes or certificates of work will be given to each producer by the state in amount equal to the labor he has performed. On presenting these at the public warehouses, such products as the laborer has earned can be obtained. In parts of this plan the influence of Proudhon can be traced.

Such is the outline of Rodbertus' theory of the socialistic state and of the method of transition to it. He claimed to have thought it out even to its details, but forbore publishing a complete picture of his ideal, because the public was not ready for it. It is the ideal, however, toward which all scientific socialists of this generation are working. Because only hints of his views concerning the ultimate solution of the social problem were contained in the works issued before his death, some have claimed that Rodbertus was not a socialist. There has been a tendency to class him with Sismondi, a critic of existing society, but without positive plans for the removal of its evils. But Rodbertus, as truly as Marx, considered the abolition of private property in land and capital to be the only sufficient remedy for our social ills. That proves him to have been, not a man with socialistic tendencies simply, but a socialist. He looked forward to the development of a form of society wherein the state should assume entire control of production and distribution.¹ Compe-

¹ For full statement of legitimate conclusions from Rodbertus' doctrines see Schäffle, *Bau und Leben des socialen Körpers*, Bd. 2, S. 457.

tition, exchange, the regulation of prices by the action of supply and demand, would cease. Money would no longer be needed. Credit and all its institutions would disappear. All producers and consumers would be regarded from the standpoint of labor; wages would be the only form of income. Public officials, elected or appointed for each district, would ascertain the demand for the various commodities produced there, provide for their supply, and fix the rates of wages according to the rule described above. All these officials would be under the control of a department of the central government. The production and distribution of wealth for the entire nation would be under the supervision of this central organ. The books kept by the state would contain the most perfect picture of every department of the economic life of the nation. Commodities, when produced, would be stored in public warehouses, and thence distributed by means of certificates of work. The state would take immediately what was necessary for its own support. Hence national debts and the modern system of taxation would disappear. With the surplus remaining after necessary expenses were paid, the state might patronize literature, science, and art on the most magnificent scale. Public education would be carefully provided for. Freedom of trade with other nations could be maintained by the socialistic state.

Rodbertus, we repeat, always insisted that no valuable social institution should be sacrificed in the transition to the new order. He meant by this that individual freedom in the choice of an occupation, incitement to skill, energy, and carefulness in production and in the work of the state officials should be secured by means of an appropriately graded system of wages. Also he would not abolish inheritance, only restrict it. Therefore the family could exist in its present form under the new system. Consumption would be for the most part unrestricted by the socialistic state. There would be no encouragement to amass large fortunes, because they could not be employed productively. Hence laws against luxury need not be very numerous or severe. Moreover, pauperism would disappear with its causes, and all the poorer classes would be able to maintain independent homes.

Rodbertus evidently thought that the church could be maintained and its operations carried on as well under the socialistic, as under the present system of society. Of course its alliance with capital, if any such there be, must cease. That, viewed from the socialistic standpoint, would be the completion of the work of the Reformation. But perfect freedom of thought and worship would be consistent with the spirit of the new system, and there might be less temptation to worldliness and more devotion to good works than now. The essentially Christian element in socialism, which is emphasized by Laveleye and other writers, is not pointed out by Rodbertus, because he treats the subject wholly from the standpoint of the economist. But it is in perfect harmony with his general position and spirit. He is not materialistic, not irreligious, not destructively revolutionary, not exclusively devoted to the interests of one class as opposed to those of the others. His aim is by a system of checks and balances to secure all that is valuable and put an end to strife.

If this economic millennium is ever to be realized, it of course must be preceded by a most important change in the spirit of society. Externally, the introduction of the socialistic state would be effected by a development of the system of administration. The idea was hatched in the heads of Germans who have always been accustomed to an elaborate administrative system. The spirit of officialism has always been dominant in Prussia. Political and economic freedom in that country was almost thrust upon the people, not extorted by generations of conflict with oppressive governments. Jealousy of state interference, so much of it as exists, has for the most part been imported from France and England.¹ Therefore the confidence shown by the German people and by the majority of their political philosophers in the capacity of the state to solve all problems can scarcely be understood by an American or Englishman. They are accustomed to a highly organized civil service. A most important object of the system of national education is to prepare for official life. It is considered

¹ J. R. Seeley, *Life and Times of Stein*.

an honorable calling. The best talent of the country, throughout this century, has been devoted either directly or indirectly to the service of the state. Twice, once at the beginning of the century, and again in our own time, the greatest statesman of his generation has been placed in control of affairs long enough to impress his personality on contemporary events. The rapid material progress of Germany since 1870; the successful operation of the railroads and telegraph by the state; the fact that the Prussian government has always controlled the mining industry, forests, and large public domains, are considered good omens of success if the state should continue to extend the scope of its activity. Therefore, most German theorists acknowledge the abstract possibility of such a perfecting of the science and art of administration, that much of raw production, manufacturing, and transportation in their own country could be carried on by the state. This, so far as it goes, is in agreement with the view of Rodbertus. But he, as well as they, realized fully that a long period must elapse before any change of this character could be brought about. Socialism, according to him, is the opposite of individualism. Solidarity, community feeling, public spirit, is the motive of action to which it appeals, while self-interest is the peculiar motive of individualism. He would by no means exclude the latter, but he would bring the former to a place of equal prominence with it. He did not believe in state-help alone, but in self-help supplemented by state-help.

But before the socialistic ideal can be realized, the grosser forms of self-seeking must disappear. Men must abandon their selfishness to a degree. Honesty must prevail, both among the official class and outside. Without the support of a public opinion in harmony with socialism, the socialistic state would be doomed to failure. No system of administration, however well devised, would work smoothly under any other conditions. So long as the capitalistic spirit prevails in society, capitalism must be maintained. Socialism, if established now, would have to rest upon force, and that, according to Rodbertus, is not the condition of progress. Hence he urged that a long course of

social training is necessary before the establishment of the socialistic state can be even attempted. Marx and Lassalle never insisted on this, and therefore their teachings have a more revolutionary character. The object aimed at is the same, but the method of reaching it is different. It is not so much upon the fact that Rodbertus was the first to formulate the theory of the socialistic state (1837-1842) that his claim to be the leader of that school of thought rests, as upon his clear appreciation of the only way in which the ideal can ever be realized. He thought that a greater degree of social equality could be secured without encroaching seriously upon essential freedom. But in order to do this, the work of reform must not be pushed faster than society is willing to advance. The legal bonds within which society moves should always correspond to its inner spirit. When, however, the time is ripe for an important change, it can be made quickly, as was shown by the experience of Prussia between 1807 and 1820. During that short period, under the leadership of Stein and Hardenberg, the feudal system was cast aside, and freedom of competition, together with a whole series of administrative reforms, was introduced.

In order to criticise aright any system of thought or public policy, it is necessary to know the best it has to offer. When we denounce the average labor agitator, or the statements contained in the manifestoes of the International, we do not necessarily attack socialism. It would not be just to hold the theory of individualism or free competition responsible for the exaggerated claims of some of its advocates. Socialism is a system of economic thought, standing over against *laissez faire*. It is the outgrowth of social conflict and of the development of historic study. During the last twenty years it has certainly wrought a great change in theoretical political economy. That the problems of distribution are recognized and treated now so much more prominently than by the older writers, is due to socialism. Its doctrines, that labor in a complex society is the only source of value, and that under the influence of competition wages must remain at or near the starvation point, are

exaggerations, borrowed from English economists, which can be easily detected and exposed. But they have helped to correct perhaps as serious exaggerations on the other side. The theory that free competition always operates beneficently has, as its correlative, the Darwinian hypothesis of natural selection applied to society. Humanitarian impulses are sentiment; failures are always the result of vice or, what is worse, weakness. The advocate of *laissez faire* starts with the individual, forms his premises and draws his conclusions from the standpoint of the successful producer and distributor of wealth. The socialist starts from the opposite pole, the community; seeks to explain economic phenomena from the social standpoint, and keeps ever in sight the needs of the nation as a whole. These views supplement one another. The policy of every civilized nation is the result of the interaction of the two. If socialism is now considered revolutionary, individualism was in much the same position a century ago.

In view of the theory stated in this paper, several of the stock arguments against socialism fall away. The system is not necessarily materialistic or irreligious, though some of its advocates may be. It does not propose the abolition of property, or the levelling of incomes. It would not abolish freedom for the sake of establishing equality. It is not necessarily revolutionary, or anti-conservative. If its ideal can ever be reached, self-help would not be sacrificed to state-help. Socialism has no appreciable connection with protectionism. The question then between socialism and the present system is not one of overwhelming moral importance, on which depends the safety of the family, the church, and the individual. They can flourish or decline under either *régime*, according to the moral tone prevailing in society.

The question is one of expediency, of ways and means for securing the maximum of social well-being. Under which system can society perform its functions the more economically, with the least waste and the largest total advantage? In order to be successful, the socialistic state would require a standard of public and private morality far above the average attained in

our best communities to-day. Official life must be freed from all corruption, from all tendencies to self-seeking, self-indulgence, or greed. Party government would have to undergo important restrictions and limitations. Patriotism must always exist among the people to a degree now only realized by a few during a great national struggle for liberty. The average man must be so highly developed morally, that he will be ready to sacrifice personal gain and enjoyment for the good of the community. To this age, a system with such requirements can be only a dream, an aspiration. It cannot be a practical solution of the labor question. Under the conditions stated, any social system would work smoothly.

Another question of prime importance is, whether so heroic a measure as the substitution of state for private property is, or ever will be, necessary. Is inequality developing so rapidly that its progress cannot be checked by forces which society, even in its present form, may call to its aid? The socialists underestimate the incalculable service rendered to society by freedom of competition. The induction on which their sweeping conclusions are based is inadequate. This is notably true of Rodbertus; and in the case of Marx, though the facts adduced are more numerous, they are all drawn from one side. The conclusion is not a new one that socialism, as a criticism of existing society and of some lines of economic thought, is rendering most valuable service. A healthful scepticism of schools and policies is produced by it. But as a practical programme it has little to offer which views of a more moderate character cannot supply.

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POLITICAL SCIENCE QUARTERLY.

SCIENTIFIC ANARCHISM.

IN ANARCHISM we have the extreme antithesis of socialism and communism. The socialist desires so to extend the sphere of the state that it shall embrace all the more important concerns of life. The communist, at least of the older school, would make the sway of authority and the routine which follows therefrom universal. The anarchist, on the other hand, would banish all forms of authority and have only a system of the most perfect liberty. The anarchist is an extreme individualist. Using the words of the famous revolutionary formula, he would secure *equality* through *liberty*, while the socialist would secure it through *fraternity*. The anarchist holds that the revolt against authority, which began in the field of religion with the Protestant reformation, and which was extended into the realm of politics by the revolutionary movement of the last century, will end, when carried to its logical and necessary issue, in the abolition of all government, divine and human. He subscribes to the doctrine contained in the opening sentences of the Declaration of Independence. He also claims that men who, like Jefferson¹ and Herbert Spencer, express great jealousy of state control, would, if they were logical and true to their principles, become anarchists and advocate the complete emancipation of society.

¹ "The Declaration of Independence contains numerous internal evidences to show that, were Thomas Jefferson living to-day, he would be a pronounced anarchist." *Liberty* (the organ of the Boston anarchists), vol. ii, no. 5. "The anarchists are simply unterrified Jeffersonian Democrats." Article by Benj. R. Tucker, in *Liberty*, vol. v, no. 16.

I. *Proudhon.*

Anarchism, as a social theory, was first elaborately formulated by Proudhon. In the first part of his work, *What is Property?*¹ he briefly stated the doctrine and gave it the name *anarchy*, absence of a master or sovereign. In that connection he said:

In a given society the authority of man over man is inversely proportional to the stage of intellectual development which that society has reached. . . . Property and royalty have been crumbling to pieces ever since the world began. As man seeks justice in equality, so society seeks order in anarchy.

About twelve years before Proudhon published his views, Josiah Warren² reached similar conclusions in America. But as the Frenchman possessed the originality necessary to the construction of a social philosophy, we must regard him as altogether the chief authority upon scientific anarchism.³

Proudhon, in his destructive criticism of existing institutions, made constant use of the logical formula of Hegel: thesis, antithesis, and synthesis. Negation he called his first principle, as that of God is in religion and thought in the system of Descartes.⁴ He denied the truth of every dogma and showed the contradiction or "antinomy"⁵ existing in every human institution.

¹ See Tucker's translation, pp. 271-288.

² For an account of this man, see Ely's *Labor Movement in America*, p. 238. Also Warren's books: *True Civilization an Immediate Necessity*, and *Practical Details of Equitable Commerce*. His views are best stated in Stephen Pearl Andrews' *True Constitution of Government*, New York, 1852.

³ So far as I know, all scientific writers who have discussed Proudhon have placed him among the socialists. But at the same time they have either expressly or tacitly protested against the classification. It has always been admitted that he stands apart from the other revolutionary leaders. In the light of the development of anarchism during the last ten years, his position seems to be clearly defined. Amid all the inconsistencies and contradictions which may be found in his works, his central thought is clear. His contemporaries did not understand him because they had not conceived of anarchism.

⁴ *Œuvres complètes*, tome 6, p. 144.

⁵ In his *Système des Contradictions économiques*, tome 1, p. 67, Proudhon explains antinomy to mean a law with a double face or with two tendencies, like the centripetal and centrifugal forces into which attraction may be analyzed. These opposite tendencies do not destroy one another, but if kept in equilibrium "are the pre-creative cause of motion, life, and progress."

Like all *a priori* reasoners, however, he was forced to start with a dogma, and this was that justice and certain rights — emphatically those of liberty and equality — are natural, exist prior to law, and furnish the criteria for judging all legal and social systems. He defined justice to be “the recognition of the equality between another’s personality and our own.”¹ This, it will be seen, is the golden rule put into philosophical language. Proudhon, in fact, declares at the outset² that he accepts that declaration of Christ as the correct rule of conduct; but he aims to make it more precise and positive by expounding the idea of justice which it contains. Every one should claim from others the full recognition of the manhood in him, stripped of all its accessories, and should yield the same recognition in return. If with this were combined the humanitarian spirit, which Proudhon called *équité*, or social proportionality, a perfect form of society would be the result.³ Equality and liberty would be harmonized, and both would be developed to the highest possible degree. Society, justice, and equality would then be three equivalent terms. All unequal, and therefore unnatural, conditions would disappear. Force would no longer be resorted to. Everything would be regulated by reason and persuasion. Thought, knowledge, virtue would hold undisputed sway.

Furnished with this ideal conception of society, which he had deductively attained, Proudhon attacked and in his own opinion demolished every institution which he found in society about him. In his *Système des contradictions économiques* he went through the entire series of economic phenomena, — value, division of labor, the use of machines, competition, credit, property, international trade, taxation, population, — showing first their beneficent effects and how they meet the needs of a progressive society, and then by way of antithesis their evil effects, their fatal tendency toward the development of inequality. Like the socialists, he borrows from Adam Smith the doctrine that labor is the true measure of value. The utilities which it

¹ What is Property? trans. p. 231. Proudhon repeated this definition and expounded it at length in a six-volume work entitled *La Justice dans la Révolution*.

² What is Property? trans. p. 26.

³ What is Property? trans. p. 242.

produces should always exchange in proportion to their cost. In other words, cost should be the limit of price. But value in exchange, arising from demand, is "antinomical" to value in use, which arises from labor and utility. The two tend in different directions and become divorced. We have therefore this result: that the more utilities are multiplied, the less becomes their value. In the natural or perfect society, where exchange-value and utility are held in proper equilibrium, this would not be true, but the value of any product would be the formula, or monetary statement, which would express the proportion which the product bore to the sum of social wealth.¹ Then the producer of a utility would receive its full value in exchange. The laborer would reap the full benefit of improvements in the methods of production, or, as Proudhon expressed it, "all labor would leave a surplus."

The way in which Proudhon deals with other and less obscure economic phenomena will be readily seen. For example: he declares that the division of labor is a prime condition of social progress. Without it, labor would be sterile, and neither wealth nor equality could exist. But the principle, when followed out to its natural consequences, becomes a most prolific source of misery. The realization of justice in the economic sphere, which is "to give equal wealth to each on condition of equal labor,"² is prevented. Hours of labor are increased; the conditions under which the work is done grow worse; and the laborer suffers mentally, morally and physically. He tends downward to the condition of a serf, while his master, the owner of the factory, becomes a moneyed aristocrat. The gulf between the two grows ever wider, and association, education or other schemes of improvement popular with economists cannot bridge it. It would seem that the introduction of machines might check the growing inequality, because through them the forces of nature are made servants of man. They both increase and cheapen production. They diminish the amount of human labor necessary to accomplish a given result. The world can-

¹ *Système des Contradictions économiques*, tome I, p. 82.

² *What is Property?* trans. p. 234.

not do without them. But they are gradually eliminating the laborer, reducing his wages, making useless the trade which he had learned and upon which he depended, causing over-production, deterioration of products, disease and death.

Proudhon summed up his views on competition in these words: "Competition destroys competition."¹ By this he meant that, though indestructible in its principle, competition in its present form should be abolished. In fact, he believed that it was slowly preparing the conditions necessary to its own destruction. Monopoly and credit he treated in essentially the same way, and so the remaining economic categories, till in the problem of population as stated by Malthus he found the culmination of human misery. The conclusion which he reached was that we are living in a condition of anarchy; meaning by that not absence of government, but the other signification of the word, *viz.* : disorder, confusion.

We need not follow Proudhon further in the application of his logical method to social facts. He claimed that by his brilliant dialectics he had reduced them all to absurdities, fraught however with infinite harm. For the present purpose it is more important to note what he considered to be the source of the antinomy, the cause of inequality and hence of misery and decay. Like the socialists, he found this root of bitterness not in man himself, not in the individual, but in society. Something was wrong in the form of social organization; some evil institution had been allowed to develop which by its influence had thrown the whole system into disorder. If this could be swept away, order would be restored, the diseased organism would become healthy and perfect. The Satan in the social philosophy of Proudhon was property: not property right limited by social expediency and high moral considerations, but the *jus utendi et abutendi* of the Roman law, the absolutely unlimited right of private property. But he did not stop there. Property, said he, is not a natural right, but is guaranteed and upheld by the state. Property and the state are correlative terms. The two institutions are reciprocally dependent and must co-exist.

¹ *Système des Contradictions économiques*, tome 1, pp. 179 *et seq.*

The chief function of the state is that of police, the object of which is to secure to individuals the enjoyment of their possessions and of the privileges connected therewith. In the thought of Proudhon, the essence of property was not the thing possessed nor the act of possession, but the privileges, the power, the possibility of gain, of obtaining rent, profit or interest which accompanied it. To him private property in the exclusive Roman sense was the very embodiment of inequality, and so the efficient cause of all social evils. He sought to sum up in the paradox, "*property is robbery*," the problem of human woe. The laborer, the result of whose work is embodied in material form, is the only producer. The proprietor, whether he be landlord or capitalist, is an unproductive laborer. He is a parasite because he does nothing but consume. He receives without rendering an equivalent. But since he owns the means of production, he can appropriate a share of the laborer's products. Because of the inequality thus developed, the tribute exacted constantly increases. The laborer falls in debt and becomes more and more dependent on his employer.¹ The tenant pays for his land or house many times over, but never becomes its owner. The commodities produced by the workman make his employer rich. The interest paid by the borrower exceeds the capital, but the debt is never paid. The proprietor virtually exercises the rights which of old belonged to a seignior over his vassal or to a master over his slave. The state, which is organized force, legalizes rent, profit, interest, and protects property owners while they plunder the rest of society. Hence arises the poverty to which the masses of men are condemned, and poverty is the mother of every form of crime. Society thus appears amid terrible agony to be ever consuming itself.

These thoughts and more of a similar nature Proudhon poured forth in volume after volume during the years immediately before and after the revolution of 1848. He lived amid the ideas, the enthusiasm for liberty and equality, from which that movement sprang. So vividly did he see and feel the

¹ See the monograph entitled *Banque d'Échange*, in *Œuvres complètes*, tome 6, pp. 150 *et seq.*

tragedy of human existence that he regarded revolution as the only conserving force. He considered it inevitable, imminent: no force could check its progress. It rested with society only to determine whether it should be gradual and peaceful, or violent.¹ He taught the theory of revolution as a permanent factor in social life. Reaction, he said, could only quicken the onward movement. The revolution must continue till right was done, till justice was established.

According to Proudhon the great uprising of 1789 was not a revolution, but only an important step of progress.² It was an attempt to establish justice; but it failed, because it only substituted one form of government for another. Had it abolished government and instituted the rule of reason, it would have been a genuine revolution. As it was, however, the work of revolution was only half done. Parliamentary government, democracy, the rule of the *bourgeoisie* took the place of the old absolutism. The reign of force was not brought to an end, but rather entered upon a new phase. Militarism continued, though under a slightly different form. Now the contest is waged for the control of the markets of the world rather than for political supremacy. England has led the way in this struggle by the development of manufacturing and the overthrow of her protective system.³ But monopoly supported by force is as triumphant as ever. The corrupting influence of wealth is seen in all departments of political life. Hence the work of August 4 must be taken up where the Constituent Assembly left it and carried on to completion.

To Proudhon, the revolution of 1848 was the proclamation of a new era. It meant the substitution of an economic and social régime for one of a governmental, feudal and military character.⁴ By this he meant not a system in which any

¹ *Système générale de la Révolution*, p. 9.

² *What is Property?* trans. p. 32.

³ See chapter on Balance of Trade, in *Système des Contradictions économiques*, tome 2.

⁴ *Idée générale de la Révolution*, pp. 177 *et seq.* This idea was also enforced by Proudhon in his speech delivered before the National Assembly, July 31, 1848, in reply to criticisms of the committee of finance on his report in favor of gratuity of credit. *Œuvres complètes*, tome 7, pp. 263-313.

economic class should become dominant, its rule being based upon political power, but, as he expressed it, an organization of economic forces based upon contract and operating according to the principle of reciprocity. This means the entire abolition of the state and the transfer of the control of social interests to individuals, acting either singly or in voluntary association. Such is the programme of the anarchists. It will be interesting to examine a little more closely the course of thought which led Proudhon to adopt it.

Like all social reformers, he was led to the study and criticism of society by the sight of human misery. In the early pages of *What is Property?*¹ he says that perhaps he would have accepted property as a fact without inquiring into its origin, had all his fellow citizens been in comfortable circumstances. As they were not, he would challenge this chief of social institutions and put it upon its defence. The result of his examination has already been stated. But property and the state he found to be inextricably bound up together. The state, property, inequality, misery, became to him synonymous terms. It made no difference what the form of the government might be ; its essential nature remained always the same. History shows that nations are revolving in a fatal circle of imperial despotism, constitutionalism, democracy, and from this by political means they can never escape.²

Experience finally proves [he says] that everywhere and always government, however popular it may be in its origin, has taken sides with the richer and more intelligent class against the poorer and more numerous ; that, after having for a time shown itself liberal, it has little by little become exclusive and partial ; finally, that, instead of maintaining liberty and equality among all, it has, because of its natural inclination toward privilege, labored obstinately to destroy them.

¹ Translation, p. 53. In *La Justice dans la Révolution*, tome, 4, p. 291, Proudhon spoke in most pathetic terms of the feeling of inferiority which oppressed him because of his inherited poverty. He felt powerless to raise himself to a position among the learned and happy. He therefore resolved to search for the origin of inequality. He found that the economists affirmed the natural origin and necessity of inequality, while the revolution said that equality was the law of all nature.

² For Proudhon's political philosophy see *Idée générale de la Révolution*, pp. 111 *et seq.* Also *Du Principe Fédératif*, *Œuvres complètes*, tome 8.

According to Proudhon, contract is the only bond which can unite individuals into a society. But Rousseau's theory of contract he rejects, and in the most admirable manner reduces to an absurdity. He says that the idea of contract excludes that of government. It imposes upon the contracting parties no obligation but that which results from their personal promise; it is not subject to any external authority; it alone constitutes the common law of the parties; it awaits execution only from their initiative.¹ It should embrace all citizens, with their interests and relations. If one man or one interest is left out, it is no longer social. The welfare and liberty of each citizen should be increased by the contracts; otherwise it is a fraud, and should be overthrown. It should be freely debated, individually assented to, and signed, *nomine proprio*, by all those who participate in it. Otherwise it is systematic spoliation. "All laws which I have not accepted I reject as an imposition on my free will."² The true social contract has nothing in common with the surrender of liberty or submission to a burdensome solidarity. The premise from which Rousseau starts, *viz.* that the people is a collective entity having a moral personality distinct from that of the individual, is false. The conclusions drawn from it, *viz.* the alienation of liberty for the sake of all, a government external to society, division of powers, *etc.*, are equally false. Rousseau has in his theory misrepresented social facts and neglected the true and essential elements of contract itself. His theory is like a commercial agreement with the names of the parties suppressed, the values of the products and services, the conditions of quality, delivery, price, *etc.*, in short all essential things omitted, and with only the penalties and jurisdictions given. In other words, the theory is absurd.³

¹ Idée générale de la Révolution, p. 117.

² Idée générale de la Révolution, p. 138. In Du Principe Fédératif, p. 53 n., Proudhon defines a law to be "a statute arrived at as the result of arbitration between human wills."

³ In connection with the history of political theories it is interesting to note what the anarchists have to say about the doctrine upon which the American Revolution was fought, and its conformity with actual political facts. Lysander Spooner, in his Letter to Grover Cleveland, says: "It was once said in this country that taxation without consent is robbery. But if that principle were a true one in behalf of three

Equally without reason in their practical operations are the constitutional systems of government, whether monarchical or republican, which are based upon this theory. The election is the pivot about which they revolve. Its fundamental idea is decision by number or lot. In what respect is this principle better or more just than generation, the basis of the family; than force, the basis of the patriarchy; than faith, the central dogma of the church; than primogeniture, upon which aristocracy rests? Elections, votes never decided anything. Inferior matters of little importance may be decided by arbitration; but important things, the organization of society, my subsistence, I will never submit to an indirect solution. I emphatically deny that the people in elections are able to recognize and distinguish between the merits of rival candidates. But when presidents and representatives are once chosen, they are my masters. What do numbers prove? What are they worth? You refer my interests, subsistence, *etc.*, to a Congress. What connection is there between the Congress and me? What guarantee have I that the law which the Congress makes and hands to me on the point of the bayonet will promote my interest?¹ Furthermore, how can I, in such a situation, maintain my dignity as a sovereign and party to the social contract? The democratic theory is thus an attempt to harmonize two

millions of men, it is an equally true one in behalf of three men, or of one man. Who are ever taxed without their consent? Individuals only. Who then are robbed, if taxed without their consent? Individuals only. If taxation without consent is robbery, the United States government has never had, has not now, and is never likely to have an honest dollar in its treasury." As soon as taxes are paid, he says further, all natural rights are lost. The individual cannot maintain them against the police and armies which the government will procure with the money.

¹ For another brilliant specimen of the destructive criticism which the anarchist applies to representative government see Prince Krapotkine's chapter on that subject in his *Paroles d'un Révolté*, Paris, 1885. One could not wish to see the *demoskrateo* principle more completely demolished than it is here. The superficiality and crudity of the notion that great public questions can be properly decided by elections; the petty self-seeking of politicians and party managers, to say nothing of their positive corruption; the disturbing influence of parliamentary tactics; the enormous disparity between the knowledge and strength of the legislator and the number and magnitude of the public questions with which he has to deal, are admirably stated and illustrated. The files of any daily newspaper will substantiate it all.

wholly inconsistent principles, those of authority and of contract. The origin of authority is in the family. The necessity for the maintenance of order, for the establishment of an artificial, and therefore of an impossible, harmony between individual and common interests, is the only argument in its favor. This means that government is based upon force, is in its nature and operation wholly arbitrary. The belief that the people, either collectively or individually, consent to its acts, or that the will of the people can be ascertained, directly by the *plébiscite* or indirectly through so-called public opinion, is a superstition. It is one of the fictions with which the law and politics abound. But, Proudhon would say, if it were really possible that the majority should rule and carry its desires into effect, its government would be as tyrannical as that of a single despot, for it would impose upon the citizen the will of another, it would violate the true principle of contract.

Returning then to the point whence we started, it appears that Proudhon's social ideal was that of perfect individual liberty. Those who have thought him a communist or socialist have wholly mistaken his meaning. To be sure there is an expression here and there in his works which savors of communism,¹ but when more closely examined it will be found to be in harmony with the general trend of his thought. No better argument against communism can be found than is contained in the chapter on that subject in the *Système des Contradictions économiques*. In *What is Property?* he speaks of communism as follows :

The disadvantages of communism are so obvious that the critics never have needed to employ much eloquence to thoroughly disgust

¹ See, for example, *What is Property?* trans. p. 244, where he says that "inequality of wages cannot be admitted by law on the ground of inequality of talents." But on p. 132 of the same treatise he explains his meaning as follows: "Give me a society in which every kind of talent bears a proper numerical relation to the needs of the society, and which demands from each producer only that which his special function requires him to produce, and, without impairing in the least the hierarchy of functions, I will deduce the equality of fortunes." This means that utilities must be brought into such perfect proportionality that there will be just as many Platos and Newtons as are needed and no more. The same shall be true of all other producers down to the lowest grade.

men with it. The irreparability of the injustice which it causes, the violence which it does to attractions and repulsions, the yoke of iron which it fastens upon the will, the moral torture to which it subjects the conscience, the debilitating effect which it has upon society, and, to sum it all up, the pious and stupid uniformity which it enforces upon the free, active, reasoning, unsubmissive personality of man, have shocked common sense, and condemned communism by an irrevocable decree.¹

This passage, together with his famous sayings: "Communism is inequality"; "Communism is oppression and slavery"; "Property is the exploitation of the weak by the strong, communism is the exploitation of the strong by the weak," furnish sufficient documentary evidence upon the question. Proudhon regarded the rise of socialistic and communistic opinions as an added sign that the times were out of joint. Writers of that school make a diagnosis of the social disease very similar to his own, but when it comes to the application of the remedy Proudhon differs from them in most essential particulars.

Proudhon believed that if the state in all its departments were abolished, if authority were eradicated from society, and if the principle of *laissez faire* were made universal in its operation, every form of social ill would disappear. According to his view men are wicked and ignorant because, either directly or indirectly, they have been forced to be so: it is because they have been subjected to the will of another, or are able to transfer the evil results of their acts to another. If the individual, after reaching the age of discretion, could be freed from repression and compulsion in every form, and know that he alone is responsible for his acts and must bear their consequences, he would become thrifty, prudent, energetic; in short he would always see and follow his highest interests. He would always respect the rights of others; that is, act justly. Such individuals could carry on all the great industrial enterprises of to-day either separately or by voluntary association. No compulsion, however, could be used to force one to fulfil a contract or remain in an association longer than his

¹ What is Property? trans. p. 259.

interest dictated. Thus we should have a perfectly free play of enlightened self-interests: equitable competition, the only natural form of social organization. The dream which had floated before the mind of the economist of the Manchester school would be realized.

Among the different forms of monopoly which afflict society at present, Proudhon considered the money monopoly to be fraught with the greatest evil.¹ By this he meant, in the first place, the selection of two commodities, gold and silver, from among all the rest, to be the standard of value and the intermediaries in all exchanges. This gave them sovereign power, established as it were the monarchical régime among commodities; for he who possesses money, the universal representative of value, can command wealth in all its forms. To metallic money, in course of time, the idea and forms of credit were added. This greatly facilitated exchange and made more convenient the form of the circulating medium. But the issue of paper, as well as of metal money, was made a monopoly, in the hands either of the government, or of bankers designated by the government. In all the more important business operations paper has taken the place of metal, and property may now almost be said to exist in the form of credit documents. Those who issue and deal in these virtually control the rate of interest and, through that, rent and prices. Proudhon condemned usury as strongly as did Aristotle or the mediæval theologians. To him it was the direct result of monopoly, and the taking of it, theft. Its percentage indicated the rapidity with which the borrower was being expropriated. According to his view, if usury or interest could be abolished, monopoly in every other form would fall with it. Rent and profits, considered as the return which the proprietor can exact by virtue of his position as monopolist of land and of the instruments of production, would disappear, and wages or reward for actual service would alone remain. In one of his *brochures*,² written

¹ Proudhon's theory of money and credit may be found in the sixth volume of his Complete Works, and in the second volume of his Economic Contradictions.

² Organization du Crédit et de la Circulation, Œuvres complètes, tome 6, pp. 89-131.

during the excitement of the revolution of 1848, Proudhon recommended that the state should take the initiative and, first, reduce incomes by a progressive scale, increasing the percentage of reduction with the size of the income. Then prices should be lowered to an equivalent degree. This should be followed by a corresponding reduction of taxation. By these measures the industrial equilibrium would be maintained, hoarded capital would be brought out, and general prosperity would ensue. He thought, however, that in order to help the peasantry and prevent their migrating to the cities this policy should not be applied to agriculture. Proudhon did not attempt to justify such wholesale confiscation of incomes by the state, but said that it was necessary to resort to it preparatory to the organization of credit.

This suggests the most important feature of Proudhon's scheme of social reform. His idea was that in the perfect social state services should exchange for services, products for products. To this end money must be abolished; for so long as products and services are exchanged for it, discount, interest, and other forms of tribute to monopoly must be paid. As a substitute for money he would "generalize the bill of exchange."

Now the whole problem of circulation consists in generalizing the bill of exchange; that is to say, in making of it an anonymous title, exchangeable forever, and redeemable at sight, but only in merchandise and services.¹

In other words, using the language now current in the money market, he would base bank paper upon products. By means of the bill of exchange he would mobilize all products, make all as readily exchangeable as money is now. It was this which Proudhon in company with Coignet tried to do in Paris by means of their *banque d'échange* or *banque du peuple*, established there in 1848.² Its operations however were soon brought to

¹ Œuvres complètes, tome 6, pp. 114 *et seq.*

² The theory was first stated by one Fulerand-Mozel in 1818. He founded such an institution at Paris in 1829, and another at Marseilles in 1832. In 1848, John Gray, a Scotchman, tried to carry the same theory into practice in Edinburgh, and published a book upon it, entitled *Lectures on the Nature and Use of Money*, Edinburgh, 1848.

See Courcelle-Seneuil, *Traité des Operations de Banque*, pp. 411 *et seq.* Also, by the same author, *Liberté et Socialisme*, pp. 100 *et seq.*

an end by the exile of its founder. Let us see what results Proudhon hoped would follow from his plan, if it could have been carried into successful execution.

"In obedience to the summons of the government, and by simple authentic declaration," as many producers from every department of industry as could be induced to do so, should unite, draw up articles of agreement and promise to abide by them. They would in this way organize the bank. Every subscriber should keep an open account at the institution and bind himself to receive its notes at par in all payments whatsoever. The bank would thus do the ordinary business of deposit and issue. "Provisionally and by way of transition, gold and silver coin will be received in exchange for the paper of the bank, and at their nominal value." But as the new institution should grow in popular favor and become universal, gold and silver would go out of use as the exclusive bases of currency. They would be estimated solely as commodities.

What reason had Proudhon for believing that his bank, if put into open competition with moneyed institutions as they now exist, unsupported by the state, would out-compete them all, force them to close or to change their method of doing business and, finally, entirely reorganize society? It was this: the bank would charge no interest or discount on loans and would pay none on deposits. Nothing whatever would be taken or received for the use of capital. The only charge made by the bank would be enough to pay its running or office expenses. These would never amount to more than one per cent and probably could be reduced as low as one-half of one per cent. "Services should exchange for services, products for products." Reciprocity is the principle at the basis of the plan. The fact that no interest was charged would attract borrowers from the other banks and thereby force capitalists to place their funds with the new bank.

But this plan may be viewed from another standpoint, which will give it a familiar look to those who are acquainted with the most advanced socialistic schemes. If producers living at different places could know at the same time their mutual needs,

they could exchange their products without the use of money. The bank could furnish that knowledge and so bring producers and consumers together. What it could do for one community, a network of banks could do for a nation or for the civilized world. This could be effected without the interposition of a government. The bank need not even own warehouses or magazines for the storing of commodities. The producer could, while keeping possession of his product, consign it to the bank by means of a bill of lading, bill of exchange, *etc.* He would receive in return notes of the bank equal to the value of his consignment, minus a proportional share of the cost of running the establishment. With these he could purchase of other producers, made known to him if necessary by the bank, such commodities as he desired. Meantime the bank would find for him and all others who had dealings with it purchasers of their goods. Thus supply would be adapted to demand; over-production and crises would be prevented. Every one would be assured of a market for whatever product or obligation he might possess, through the general intermediary, the bank. The bank would deal in credit documents, notes, mortgages, *etc.*, if properly indorsed and secured.

It will be seen at once that, if this form of exchange should become universal, rent, profits, interest, every form of proprietary and capitalistic expropriation would disappear. The bank, if it ever became strong enough, would fix the reward for the use of property of all kinds and for effecting exchanges. The former would be *nil*, and the latter, as we have seen, would be less than one per cent. For example, Proudhon argued,¹ while the process of transition was going on, capital would flow toward city lots and buildings and reduce their rents till the conditions prevailing in "laborers' cities" should become approximately universal. Rents would only yield enough to make good the capital spent in building, repairs and taxes. Finally, the commune could decree the abolition of rent by providing that after a certain time all payments should be carried to the account of the property, which itself should be valued at twenty-five times

¹ Œuvres complètes, tome 10, p. 203.

the yearly rent. When the payments had been made in full, the commune could give to the occupiers a title to perpetual domicile, provided they kept the property in as good condition as it was when the grant was made. Proprietors need not be disturbed in the occupancy of their own estates till they pleased. All changes, after the first mentioned above, must be made by contract between citizens, and the execution of the contracts should be intrusted to the commune. In this way Proudhon would ultimately extend the capitalization of rent through the agricultural districts of the nation and everywhere transform proprietorship into possession. He claimed that the saving of wealth made possible by the abolition of interest would be so great, and the stimulus thereby given to production so strong, that all public and private debts could be quickly paid off, taxation reduced and finally abolished. The expense of administering government would be correspondingly lessened. But with the permanent and abounding prosperity which would be felt by all classes in the nation, poverty, the cause of crime, would gradually disappear. Courts and police administration would then be no longer necessary. Finally, as the new system extended among the nations, their internal well-being would so increase that wars would be no longer necessary. Hence the army and the navy could be dispensed with and diplomacy would become a lost art. By this process of development the departments of finance, of justice, of police, and of foreign affairs would disappear. There would be no more use for them. The state itself then would be thrown aside like an old and worn-out garment, and society would enter upon a new period of existence, the period of liberty and of perfect justice. This is what Proudhon thought could be accomplished through the organization of credit. Then the perfect individual described above would need only freedom and the equality of conditions insured by freedom to reach the highest development of all his powers. Such is the anarchistic ideal. Proudhon has repeatedly set it forth. I quote one of the passages :

Capitalistic and proprietary exploitation everywhere stopped, the giving and receiving of wages in its present form abolished, exchange equal and

really guaranteed, value constituted, a market assured, the principle of protection changed, the markets of the globe opened to the producers of all countries ; consequently the barriers broken down, old international law replaced by commercial conventions, police, justice, administration put everywhere into the hands of those engaged in industry ; economic organization taking the place of the governmental and military régime in the colonies as well as the mother countries ; finally the free and universal commingling of races under the sole law of contract ; that is the revolution.¹

II. *The Individualistic Anarchists.*

Proudhon's theory is the sum and substance of scientific anarchism. How closely have the American anarchists adhered to the teachings of their master ?

One group, with its centre at Boston and with branch associations in a few other cities, is composed of faithful disciples of Proudhon. They believe that he is the leading thinker among those who have found the source of evil in society and the remedy therefor. They accept his analysis of social phenomena and follow his lead generally, though not implicitly. They call themselves Individualistic Anarchists, and claim to be the only class who are entitled to that name. They do not attempt to organize very much, but rely upon "active individuals, working here and there all over the country."² It is supposed that they may number in all some five thousand adherents in the United States. But they measure their strength by the tendency towards greater liberty which exists in society. The progress of liberty everywhere and in all departments of social life they welcome as an added pledge of the future realization of their ideal. So they would reckon the nominal adherents of anarchism, the potential anarchists, by the hundreds of thousands. Their views and plans are deductions from the theory of Proudhon. They are a commentary on his works, an extension and occasionally a clarifying of his thought. It will be necessary,

¹ *Idée générale de la Révolution*, p. 297. In *Justice dans la Révolution*, tome 2, pp. 99-134, may be found one of the best statements of Proudhon's views of the future system of industrial and political federation, and of the method of transition to it.

² Letter from Benj. R. Tucker, at present the leader of the Boston anarchists.

however, to explain more precisely the attitude of the anarchists toward the political and social institutions of this country.¹

They, like Proudhon, consider the government of the United States to be as oppressive and worthless as any of the European monarchies. Liberty prevails here no more than there. In some respects the system of majority rule is more obnoxious than that of monarchy. It is quite as tyrannical, and in a republic it is more difficult to reach the source of the despotism and remove it. They regard the entire machinery of elections as worthless and a hindrance to prosperity. They are opposed to political machines of all kinds. They never vote or perform the duties of citizens in any way, if it can be avoided. They would not pay taxes, if there were any means of escaping it. Judges are regarded by them as the hirelings of power, and courts as centres of despotism. They regard the proceedings of legislative assemblies as vain and worthy only of contempt. They would destroy all statute books and judicial decisions. Josiah Warren stated the principle² that, in the case of the infliction of injury by one individual upon another, the government might, with the consent of the injured person, interfere and cause reparation to be made. But the penalty imposed upon the offender should never exceed in amount the damage which he had done. In accordance with this, the anarchists contemplate for a time at least the maintenance of a mild system of penal law, and with it trial by jury, though they do not believe in compulsory jury service. As long as there are individuals so imperfect that they insist upon infringing their neighbor's rights, they must be restrained.

The anarchists have no words strong enough to express their disgust at the scheming of the politician, the bidding for votes, the studied misrepresentation of facts, the avoidance of serious issues, and all the forms of corruption which stain our political life. Our municipal governments furnish them unlimited mate-

¹ The following statements are taken directly from the columns of *Liberty*, the paper published by the Boston anarchists; from Lysander Spooner's Letter to Grover Cleveland; William B. Greene's pamphlet on Mutual Banking; Bakunine's God and the State, and other books and documents recognized by the anarchists as authoritative.

² True Civilization, p. 12.

rial for comment. They call attention to the immense labor which it takes to keep the political machinery in motion, and compare with it the little which is accomplished towards the solution of the really important social problems. No good, only evil, can be done by such methods. The influence of money in politics, the wanton disregard of law by corporations and the inability of our legislators and executives to restrain them, the self-seeking which enters into all political contests and the general lack of earnestness which characterizes them are to the anarchist proofs that the state is decaying and will soon fall to pieces at a touch. It is of no use, they say, to labor for any of the plans of reform which are now agitating parties. The state is too corrupt to be reformed: abolish it altogether.¹

Concerning the family relation, the anarchists believe that civil marriage should be abolished and "autonomistic" marriage substituted. This means that the contracting parties should agree to live together as long as it seems best to do so, and that the partnership should be dissolved whenever either one desires it. Still, they would give the freest possible play to love and honor as restraining motives. They claim that ultimately, by this policy, the marriage relation would be purified and made much more permanent than it is to-day. They are "free lovers," but not in the sense of favoring promiscuity of the sexes. They hope to idealize the marriage relation by bringing it under the régime of perfect liberty. They would not restrain those who wish to practise polygamy or any social vice.² They view with abhorrence all efforts to prevent by

¹ The anarchists believe that universal suffrage is a snare prepared to entrap the unwary. As to the extension of suffrage to women, Lysander Spooner wrote: "They have just as much right to make laws as men have, and no better; and that is just no right at all." "Women want to put us all into the legislative mill and grind us over again into some shape which will suit their taste. Better burn all existing statutes." *Liberty*, vol. ii, no. 22.

² *Liberty*, vol. i, no. 12: "Liberty therefore must defend the right of individuals to make contracts involving usury, rum, marriage, prostitution, and many other things which it believes to be wrong in principle and opposed to human well being."—Some of the anarchists hold to the monogamic ideal; others reject it, believing in what they term "variety," which they distinguish from promiscuity in the sense that human refinement is distinct from bestial recklessness. One of the most eloquent pleas for the monogamic family ever made is Proudhon's *Amour et Mariage*. He was utterly opposed to divorce. See *Œuvres complètes*, tome 24.

legislation and through the interference of the police the traffic in obscene literature. This is not because they wish to uphold vice: on the contrary, they desire the purification of society, but believe that it can be brought about only by the abandonment of every form of compulsion. Organize credit, let people know that the individual must endure all the results of his conduct, and that he will be held responsible for the deeds of no one else, and in process of time vice will disappear. The operation of self-interest will secure its abolition. In no sense do the anarchists advocate community of wives.¹ They desire to preserve the home and to keep the children in it, subject to parental government, till they reach such a degree of maturity that they can assume the responsibilities of life for themselves. Family government should secure its ends by reason and love, rather than by force. Should the parents separate, the young children will go with the mother. While the children remain in the family, there would of course be an opportunity for their education; but, after they leave parental control, that, like everything else, would depend solely upon their own choice. Compulsory education is inconsistent with the anarchistic system.

Proudhon, who wrote the eloquent prayer to the God of liberty and equality which concludes the first part of *What is Property?* spurned the God of the bible as the chief antagonist of man and foe of civilization.² The problem of human evil drove him to this conclusion. He found a fatal antinomy between God and man. Man's nature involves constant progress and development, while that of God is fixed and unchangeable. Therefore as man advances, God retrogrades. Man was created deformed rather than depraved, and a Providence, called all-wise and beneficent, has therefore condemned him to eternal misery. To Proudhon such a being possessed the worst qualities of man intensified and expanded till they reached the scope of deity. What the state is in politics and property in economics, God is in religion, a source of inequality, oppression and woe. The

¹ See Proudhon's bitter condemnation of this in his chapter on Communism and Population, *Contradictions économiques*, tome 22, pp. 258 *et seq.*

² See chapter on Providence in *Contradictions économiques*, tome 1, pp. 351 *et seq.*

idea of authority originates in the conception of God; therefore, as Bakunine said: "If God existed, it would be necessary to abolish him."¹ "Who denies his king, denies his God," said Proudhon. Yet, though the anarchists believe that the church is one of the bulwarks of the state and that its spirit is essentially hierarchical, they uphold the doctrine of absolute religious freedom. Those who choose to believe in religion and to worship the Christian God, or any other divinity, should be permitted to do so without molestation. But every form of worship should be self-supporting. "Let the hearer pay the priest." If religion is of any value, let it be shown in open and free competition with all other forms of belief.² The anarchists of to-day are wholly atheistic, and will probably remain so, however much their number may be increased.

It thus appears that the anarchists have a programme which is as simple as it is sweeping. To every social question they answer *laissez faire, laissez passer*. Throw off all artificial restraint. Leave men to themselves. Liberty is the great, the only educator. Every question will solve itself by the operation of natural laws. All that is needed is equality of conditions. They are anti-monopolists pure and simple. Referring to the contest for the abolition of slavery, they compare themselves to the abolitionists proper³ and constitutional republicans to the colonizationists. The latter are constantly applying palliatives; there is but one remedy, and that is the destruction of inequality at the source. Therefore the anarchists who are strictly logical, while they sympathize with all criticism unfavorable to existing institutions as tending to weaken confidence in the state, refuse to co-operate with any party of social or political reformers.⁴ They believe that there is no positive power for good in association; therefore co-operative schemes

¹ God and the State, trans. p. 17.

² *Idée générale de la Révolution*, p. 261.

³ Any standard history of the anti-slavery conflict, or the files of the *Liberator*, will show the close connection between the doctrines of the Garrisonian wing of the abolitionists after about 1840 and those of the anarchists. The appeals of the abolitionists to "the higher law" were decidedly anarchistic.

⁴ See discussion carried on in *Liberty*, vol. iv, 1886 and 1887, between Tucker and Henry Appleton.

have no attraction for them. Attempts to deal with men in the mass, to educate them by united effort, do not awaken their confidence.

I do not admit [says Tucker] anything except the existence of the individual as the condition of his sovereignty. . . . Anarchy has no side that is affirmative in the sense of constructive. Neither as anarchists nor as individual sovereigns have we any constructive work to do, though as progressive beings we have plenty of it.

Again :

History shows that liberty results in more perfect men, and that greater human perfection in turn makes increased liberty possible. It is a process of growth through action and reaction, and it is impossible to state which is antecedent and which consequent. But the action of propagandism is more effective when brought to bear upon institutions and conditions, than when aimed immediately at human nature. So we do not preach the gospel of goodness, but teach the laws of social life.

It naturally follows, from what has been said, that the anarchists who fully accept the doctrines of Proudhon believe that a long process of evolution is necessary before their programme can be put into successful operation. They are opposed to the use of violence :

But one thing can justify its exercise on any large scale, *viz.* the denial of free thought, free speech and a free press. Even then its exercise would be unwise, unless repression were enforced so stringently that all other means of throwing it off had become hopeless. Bloodshed in itself is pure loss. When we must have freedom of agitation, and when nothing but bloodshed will secure it, then bloodshed is wise. But it must be remembered that it can never accomplish the social revolution ; that that can never be accomplished except by means of agitation, investigation, experiment and passive resistance ; and that, after all the bloodshed, we shall be exactly where we were before, except in our possession of the power to use these means. . . . The day of armed revolution is gone by. It is too easily put down.¹

Again :

What we mean by the abolition of the state is the abolition of a false philosophy, or rather the overthrow of a gigantic fraud, under which

¹ *Liberty*, vol. iv, no. 3, May 22, 1886, editorial suggested by the bomb-throwing at Chicago.

people consent to be coerced and restrained from minding their own business. The philosophy of liberty can be applied everywhere ; and he who successfully applies it in his family, in the place of avenging gods, arbitrary codes, threats, commands and whips, may easily have the satisfaction of abolishing at least one state. When we have substituted our philosophy in place of the old, then the palaces, cathedrals and arsenals will naturally fall to pieces through neglect and the rust that is seen to corrupt tenantless and obsolete structures.¹

Or, stating the anarchistic programme a little more definitely, it is expected that political corruption and capitalistic tyranny, coupled with revolutionary agitation, will after a time so undermine respect for law and confidence in government that it will be possible for a small but determined body of anarchists to nullify law by passive resistance. When the experiment has once been successfully tried, the masses of men, tired of the old system, will accept the new as a welcome deliverance. Then it will no longer be possible to enforce obedience to law. People will meet in conventions, organize upon the principle of voluntary associations, and choose their natural leaders.² These leaders however can exercise no authority, but only use persuasion and advice coming from a wider practical experience. Those who do not wish to follow, may go their own way. Each individual can take possession of and use what property in land and raw materials he needs, but he must not thereby infringe the equivalent right of every other person. Property, thus, must be so used as to contribute to the highest social weal. Human nature will be so purified from gross selfishness that it is believed that the system of private property can be preserved formally intact. All the functions of social life, now classed as public and private, will be performed by individuals, either singly or in voluntary association. The system of mutual banking will be established, or, as the American anarchists express it, each man will be allowed to issue his own notes, based upon such property or security as he may command, and make them circulate as far as he is able.³ In banking, in carry-

¹ *Liberty*, vol. i, no. 19.

² See a description of this process in *Liberty*, vol. i, no. 5.

³ See Spooner's Letter to Grover Cleveland.

ing of the mail, in railway and telegraph business, as in everything else, the fittest institutions and companies will survive. These results — the banishment of crime, the elimination of poverty, prosperity so great and generally diffused that the spectre which Malthus raised will never return to affright society, perfect solidarity combined with perfect individuality, the true harmony of interests, the reign of righteousness, the golden age, the millennium — will be realized and made permanent, not by multiplying the bonds which unite society, not by increasing administrative machinery and strengthening the tendencies toward centralization, as the socialists propose, but by perfect decentralization, by destroying all political bonds and leaving only the individual, animated and guided by intelligent egoism. In a society thus regenerated the anarchists expect that their system of agitation will culminate.

III. *The Communistic Anarchists.*

The Individualistic Anarchists accordingly profess to have very little in common with the Internationalists. The latter are Communistic Anarchists. They borrow their analysis of existing social conditions from Marx, or more accurately from the "communistic manifesto" issued by Marx and Engels in 1847.¹ In the old International Workingman's association they constituted the left wing, which, with its leader, Bakunine, was expelled in 1872. Later the followers of Marx, the socialists proper, disbanded, and since 1883 the International in this country has been controlled wholly by the anarchists.² Their views and methods are similar to those which Bakunine wished to carry out by means of his Universal Alliance, and which exist more or less definitely in the minds of Russian Nihilists. Like Bakunine, they desire to organize an international revolutionary movement of the laboring classes, to maintain it by means of conspiracy and, as soon as possible, to bring about a

¹ In *Freiheit* the manifesto is constantly referred to as of the first importance.

² See proceedings of Pittsburg Congress, 1883, and the manifesto there issued in *Freiheit*, Oct. 22 and 27, 1883. Also Ely's *Labor Movement in America*, p. 228, and appendix.

general insurrection. In this way, with the help of explosives, poisons and murderous weapons of all kinds, they hope to destroy all existing institutions, ecclesiastical, civil and economic. Upon the smoking ruins they will erect the new and perfect society.¹ Only a few weeks or months will be necessary to make the transition. During that time the laborers will take possession of all lands, buildings, instruments of production and distribution. With these in their possession, and without the interposition of government, they will organize into associations or groups for the purpose of carrying on the work of society. To Krapotkine and the continental anarchists the commune appears best suited to become the centre of organization. The idea of the Russian *mir*, or of the primitive village community, is also very attractive to them. They would carry the principle of local self-government to an extreme. They would have no centralized control beyond that pertaining to the village or city, and, within that, the actual exercise of authority should be restricted as far as possible. A member, if dissatisfied, would be allowed to retire at any time and join another commune. The members of the commune would jointly control all its property and business. Perfect community of relations would exist within each group. The spirit of enterprise would be kept up by competition between the communes or associations. The larger ones would contain within themselves productive groups enough for the satisfaction of nearly all the needs of their inhabitants. Where such should not be the case, commodities could be obtained by inter-communal traffic. The industrial bonds thus established would prevent strife and war. Thus universal peace would prevail after the final catastrophe of revolution was passed, and by no possibility could the state,

¹ For full details as to the "propaganda of deed," see the files of Most's *Freiheit*; the Chicago *Alarm* and *Arbeiter-Zeitung*; and Most's *Science of Revolutionary Warfare*, an outline of which was printed as a part of the testimony in the Anarchists' case at Chicago. The testimony in that case is given in outline in *Northeastern Reporter*, vol. 12. The speeches of the anarchists and a history of the trial (favorable to the condemned) has been issued by the Socialistic Publishing Society of Chicago. — In book form, the most important statement of the programme of the Communistic Anarchists is Krapotkine's *Paroles d'un Révolté*, Paris, 1885. See also Ely's *Labor Movement in America*, and Laveleye's *Socialisme contemporaine*.

the system of force, revive. This is the ideal of the Communistic Anarchists.¹ It is the system of economic federalism: the substitution of the free competition of local groups, holding property in common, for the complex social order which now exists. Within this social order, nations and national hate will no longer exist; a purely economic régime will take their place and make political struggle impossible. It is claimed that this is essentially different from all the older communistic schemes, because with the destruction of the state and of religion the basis upon which authority could rest would be entirely removed. The earlier writers and experimenters, like Babœuf, Cabet, Owen, are called state communists, because they proposed to establish their system with the aid of government or under its grants and protection. This later plan is purely anarchistic. The earlier apostles would destroy liberty; the later would preserve it in a perfect form, make it consistent with a stable society, and harmonize it with the greatest possible equality.

¹ "We desire no property. All that exists upon the earth must serve for the satisfaction of the needs of all. The appropriation of these things, — of land, mines, machines, and in general of all instruments which contribute toward producing the necessities of mankind, which should serve the community, and which can be produced only by the co-operative efforts of all humanity, — the appropriation of these things as the property of individuals or of certain groups is the retaining of them to the exclusion of their rightful possessor, the community, it is robbery committed against the latter. We would see it abolished. If all the instruments of production were once restored to the possession of the community, then would the latter by a rational system of organization care for the satisfaction of human needs, so that all men who are able to work could be supplied with useful occupation, and every one could secure the means necessary to an existence worthy of a human being. . . . But with private property will disappear at once the chief supports of all civil authority. For only upon the gradation of classes which private property produces could that instrument of popular oppression, the state, be erected." *Freiheit*, Oct. 31, 1883.

"What we are striving after is simply and clearly: 1. The destruction of the existing class rule, and that by the use of all possible means, by energetic, pitiless, international revolution. 2. The establishment of a free society based upon community of goods. 3. Associative organization of production. 4. Free exchange of products of equal value by the productive associations themselves, without middlemen or profits. 5. The organization of education upon an altruistic, scientific, and equal basis for both sexes. 6. Regulation of all public affairs by the free social contracts of autonomous communes and associations resting upon a federalistic basis." *Freiheit*, Oct. 13, 1883.

"While communism will form the basis of the future society, anarchy, absence of government, is the future form of public organization." *Freiheit*, Dec. 15, 1883.

The difference between the ideals of these two bodies of anarchists, when traced back to its source, seems to spring from this. Proudhon, in his search for the root of social evil, hit upon the principle of authority, of monopoly and privilege supported by it and indissolubly connected with it. If that could be eradicated, private property would no longer be fraught with harm and might continue. That was the order of his thought. All socialists, however, from Rodbertus and Marx down, have considered private property and competition to be the cause of poverty and the evil entailed thereby. They have not gone back of property and competition to find the source of their perversion in the legal system which sanctions and upholds them. Therefore the followers of Proudhon primarily attack the state and proceed from that to their criticism of property right. On the other hand the Communistic Anarchists direct their chief assaults against private property, and through those are led to seek the entire overthrow of the state. Proudhon really leaves the individual member of his regenerated society with only the right of possession, of usufruct conditioned upon his subordinating his interest to the common weal. What restrictions this would practically lead to, neither he nor any of his followers, so far as I know, have ever shown.¹ On the other hand the Internationalists, though believing that hitherto force has been the instrument of all human progress, yet protest that it will be banished from society when organized according to their ideal. Absence of government, *Herrschaftslosigkeit*, is their ideal, as well as that of the disciples of Proudhon. The declaration of principles issued by the International in 1883 stated that the economic functions of society should be performed by free associations, and that they should also "by free social contracts" regulate all public affairs. The tendency of their writings seems to be in substantial harmony with

¹ In an editorial in *Liberty*, vol. i, no. 3, are the following statements: "We do not believe that any one can stand alone. We do wish social ties and guarantees. We wish all there are. We believe in human solidarity. We believe that members of society are interdependent. We would preserve these interdependencies untrammelled and inviolate, but we have faith in natural forces. The socialists wish a manufactured solidarity, we are satisfied with a solidarity inherent in the universe."

this.¹ The truth seems to be that the one party has been led by its abhorrence of authority to dilute its communism, while the other, to ward off the charge that its theory leads to a *bellum omnium contra omnes*, has left the way open for a plentiful infusion of public spirit and humanitarian motives. The result is that, with the perfected individual whom they both contemplate, the ideal social states of the two anarchistic schools, if ever realized, would be very similar. Both must from the necessities of the case take largely the form of voluntary association.² If on the other hand the individual remained imperfect, animated very often by passion, ambition, and the lower forms of self-interest, the system of federalism would necessarily degenerate into the strictest communism, while the system of individual sovereignty would plunge society into the worst evils of unrestricted competition. In either case the restoration of the state in some form would be a necessity.

Yet, whatever may be true of their ideals, the methods of reaching them which are advocated and practised by the two anarchistic schools are wholly different. The one expects to attain success through a long process of peaceful evolution culminating in perfect individualism. Although extremely hostile to the church, their programme, so far as it concerns human relations, is essentially Christian.³ Christianity first posited the individual as distinct from society, and began the process of freeing him from the restraints of the ancient political system. The strongest historical impulse toward the perfection of the individual has come from Christianity. The Individualistic Anarchists show its influence most clearly, for there is a decided tinge of Quakerism in their attitude toward the state.⁴ But

¹ See various articles in *Freiheit*, 1885 and 1886, containing a discussion with the Individualistic Anarchists. Also Krapotkine's writings, especially two articles by him in *The Nineteenth Century* for 1887.

² Proudhon in *Du Principe Fédératif*, 1863, stated at length his belief that the ultimate social system would be one of voluntary associations for specific purposes, each member retaining his independence to the fullest possible extent. He also claimed that local powers would increase as society advanced, so that in the end liberty would win a complete victory over authority.

³ They must agree with many of the ideas expressed by Tolstoi in *My Religion*.

⁴ See Bancroft's account of the principles of the Quakers, *History of the United*

the Communistic Anarchists are revolutionists of the most violent sort. They form the extreme left wing of the modern revolutionary movement. They teach materialism and atheism in their most revolting forms. The method which they propose to use for the destruction of society and the institution of the new order is beneath scientific consideration. It is fit only to be dealt with by the police and the courts. It furnishes the strongest possible proof of the necessity of authority and of a government to enforce it. Thus the plots of one body of the anarchists are among the most serious obstacles in the way of society ever being able to assume that form which the other group desires.

IV. *Conclusions.*

Having stated as objectively as possible the theory of anarchism, what is to be said concerning it?

In the first place it is useless to claim that it is wholly a foreign product, and for that reason to clamor for restrictions upon immigration. Newspaper utterances on this phase of the subject have consisted too largely of appeals to ignorance and prejudice. There probably are good reasons why immigration should be restricted, but this should weigh very lightly among them. It provokes a smile when we think that the agitation carried on by a few thousand anarchists—probably not more than ten thousand in all—should force this people to change its policy in so important a matter as that of immigration. Such a suggestion goes to confirm what the socialists say about the cowardice of the *bourgeoisie*. And then, unless the restrictions were made so severe as to check the peopling of this country, the spread of anarchism would not be prevented. Such crude means do not reach the seat of opinion. Anarchism, so far as it has a scientific basis, is, like socialism, a natural product of our economic and political conditions. It is to be treated as such, both theoretically and practically. Anarchism is a product

States, vol. ii, pp. 336-355: "Intellectual freedom, the supremacy of mind, universal enfranchisement,—these three points include the whole of Quakerism, as far as it belongs to civil history.

of democracy. It is as much at home on American soil as on European. The general belief to the contrary is one of the survivals of the notion that Providence has vouchsafed us a peculiar care and an especial enlightenment. If we wished to argue that anarchism is a peculiar and characteristic American product, reasons would not be lacking. Our political system is based on the ideas of liberty and equality. The minds and the writings of our revolutionary heroes were full of the theory of natural rights and social contract. The founder of one of our political parties was a living embodiment of that theory. The anarchists ask for no better statement of their premises than the opening sentences of the Declaration of Independence. From the standpoint of the doctrine of natural rights, it is impossible to overthrow their argument. Theoretically no fault can be found with the way in which Proudhon dealt with Rousseau, nor with his statement of what he considered to be the true doctrine. But Proudhon by his analysis showed the total lack of historical basis for the theory in any form, and at the same time its practical absurdity. It appears, then, that we might expect theoretical anarchism to originate either in France or in America, because in those countries the notion of social contract has played the greatest rôle. As a matter of fact, it originated independently and at about the same time in both, in the minds of Proudhon and of Josiah Warren, and, leaving Russia for good reasons out of the account, in these countries it has obtained most of its adherents. Then our economic conditions, in the mining and manufacturing districts and large cities, are so far similar to those of the old world, that they may well occasion, when combined with the more independent spirit prevailing here, the rise of theories very extreme in their nature. Finally, the faults in our political system, especially in municipal government and in the relations between representatives of the people and corporations, are such as to give a certain amount of justification to the criticisms of the anarchists. These things furnish the food upon which such criticism thrives. If we wish to find the source of anarchism, we should contemplate the extremes of poverty and wealth

which face each other in all our centres of population ; weigh the arrogance, brutality and vice, which prevail too much in the employing class, over against the disappointment, hopelessness, and positive suffering so common among the employed ; study, until it is definite and clear, the picture of manipulated caucuses, purchased ballots and falsified returns, of bribery, direct or indirect, in the halls of legislation, of political deals wherein the interests of the locality or the country are sacrificed for party success, of efforts on the part of the great majority of public men to secure party triumph rather than the country's weal ; and consider, finally, the superficial nature of the questions at issue in nearly all political contests. In certain quarters of this country, such is the rapidity with which one political scandal follows another, so great the number of crimes of a semi-public nature, so intense and essentially brutal the struggle for wealth and power, that one is at times almost tempted to say with Proudhon that we are living in a state of anarchy. Our civilization at its great centres has a dark side, and an exclusive contemplation of this side will make a pessimist of any man. A profound dissatisfaction with very much that exists in our political and social system is widespread among our most intelligent population. Those who would look to the state for a certain amount of efficient aid in solving the deeper problems that confront us are always met by the thought : if this plan should be carried out, it will enlarge the sphere of political corruption and open another field for partisanship. We had better not increase the domain of state action till we have a better organized state. The prevalent distrust of our legislative bodies finds utterance in all newspapers and periodicals and even in the state constitutions themselves. These are phenomena to which it is useless, nay dangerous, to shut our eyes. The cry of sentimentalism will not brush them aside. They are tangible facts, as real as those celebrated in the song of triumphant democracy.

But, admitting that our civilization is thus imperfect, does that prove that it is wholly bad or that anarchism has anything better to offer ? It is noticeable that the anarchist, in carrying

on his crusade against the state, avails himself of the freedom of the press and assembly, and of the protection which the state gives to his person and property so long as he does not attempt to destroy the life or property of anybody else. He also uses the post office, the telegraph, the railway and all other means at hand for spreading intelligence. He uses the printing press, a good quality of paper, and movable metal type. In all his daily life he employs commodities and lives in buildings which have been produced or constructed under the capitalistic system of production, guaranteed by the state. He makes use of knowledge and practical experience, formulates scientific truths, employs arguments and illustrations, appeals to moral ideas and motives, which have been developed in society and have become its common possession since the state came into existence. Really the whole substratum of his work, material, mental, and moral, is furnished by a politically organized society. The vantage ground on which he stands, and from which he works, is not of his own construction, but has been built for him by the labor of all the preceding generations. These different classes of facts, which we have space only to hint at, represent the progress of civilization hitherto; they constitute its favorable side, and should be marshalled over against the wrongs and evils mentioned above. How did the anarchist get the conception of the indefinite perfectibility of man, except through a knowledge of what has already been accomplished? The civilized man is so far in advance of the savage that we can scarcely measure the difference. But all this progress has been made since government originated; most of it before the dogma of popular sovereignty was ever heard of. It was achieved in ages when the control of the state reached the innermost concerns of the individual, when in fact the conception of an individual apart from the state and the organic whole of society was not known. Shall I not then infer that the state, the principle of authority, is the cause of all good? Would it not be quite as logical and justifiable as to argue that it is the cause of all evil? Would not the former conclusion stand the test of historical examination quite as well as the latter? In the one case the induction would be quite as satisfactory as in the other.

But this whole method of reasoning, whatever the purpose for which it is used, is fallacious. No social or political institution, no form of organization, is in itself responsible for all the evils of society. The alleged cause is not adequate to produce the result. Here is one of the fatal errors in the entire socialistic and anarchistic argument. Our friends of that way of thinking indulge in a great deal of denunciation; but did they ever show that the existence of the state and of private property makes A cruel, B licentious, C avaricious, when they would not be so to a greater or less degree under any conceivable organization of society? The source of what we call social evil is in the individual and in the limitations of external nature. Forms of social organization have their influence, but it is wholly subordinate to these cardinal facts. Improvement can be made by civilizing the individual and adapting his social surroundings to his enlarged needs, but progress is inevitably conditioned by the forces of the world within us and the world around us.

The perfection of the individual is therefore an idle dream. Man has lived for at least six thousand years upon the earth, and, after making allowance for all the changes caused by increasing civilization, the fundamental characteristics of human nature remain the same. Man has the animal qualities combined with the spiritual. He needs food, shelter and rest. In the struggle to obtain the commodities which will supply these wants, he is often dominated by the worst forms of selfishness and passion. Because the supply of the necessities and comforts of life is at least relatively limited, men monopolize them. Then the development of social inequality begins. The degree of knowledge, foresight, self-control which men possess is limited and exceedingly variable. The results which they achieve differ in proportion. View them as we may, these, and others like them, are primary facts; they lie beyond the reach of forms of organization. They are always to be taken for granted in discussing any social system, whether real or ideal. Every scheme of reform must adapt itself to them. Therefore no direct practical benefit can be derived from imagining a form of society where perfect justice, liberty, and equality may co-exist, and

then applying it as a criterion to the existing order. There is so little similarity between the criterion and the system judged, that no satisfactory conclusions can be drawn. We must deal with realities and pursue methods of reform which conserve and promote all the best interests of society. This may be modest and unattractive, but it is the only true or fruitful method. We admit that society is imperfect, but the cause of imperfection lies back of society. If the institution of private property results in unnecessary inequality, it is because it is controlled by imperfect men. So it would be if we lived in voluntary associations, or under any other imaginable system. Individuals would remain essentially the same, and the old phenomena of inequality would continue. The introduction of Proudhon's system of credit would be accompanied by a great financial crisis, the result of inflation. It would tend to make inflation chronic. The scheme, as conceived by Spooner, would work much as "wild-cat" banking did before the crises of 1819 and 1837. After such convulsions in the business world, interest would be certain to reappear, and it would be the salvation of society if it did. As men are, and are ever likely to be, to throw off restraint would be equivalent to the realization in society of the Darwinian struggle for existence and survival of the fittest. This does not open an attractive prospect in any event. The trouble with us now, especially in the workings of our political system, is that the purely individualistic motives are given too full swing. The cause of political corruption is the predominance of self-seeking over public spirit.

For a justification of the state we need not construct any artificial theory, like that of natural rights and social contract. It came into existence with the dawn of society; it is as old as the individual. The existence of society without it, that is without organization and power in the organism to enforce conformity to the necessities of life and growth, would not only be contrary to all experience, but is absolutely unthinkable. To conceive society without government, the anarchists have to construct an imaginary individual; and even in this imaginary individual there is the possibility of lynch law and of the evolu-

tion of jury trial and state prisons. We see no prospect at present of the lapse of society into the *Kleinstaaterei* of the old German Empire, or into a state where all public questions will have to be decided by Polish parliaments with the *liberum veto* in full operation.

Still, practically the only answer to that which is reasonable and just in the anarchistic argument is the pursuance of vigorous measures of political and social reform, which shall sweep away the evils among us that are degrading to any civilized people.

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